



Thomas Cook (India) Limited Annual Report 2010

*With you,  
your partner in every step...*



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mahendra Kumar Sharma (Non-Executive Chairman)  
Hoshang Shavaksha Billimoria (Non-Executive Independent Director)  
Anant Vishnu Rajwade (Non-Executive Independent Director)  
Ramesh Savoor (Non-Executive Independent Director)  
Krishnan Ramachandran (Non-Executive Independent Director)  
Madhavan Menon (Managing Director)  
Vinayak K. Purohit (Executive Director – Finance)  
Rakshit Desai (Executive Director – Travel Services)

### COMPANY SECRETARY

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

### AUDITORS

Lovelock & Lewes

### PRINCIPAL BANKERS (in alphabetical order)

Axis Bank Limited  
Deutsche Bank  
HDFC Bank Limited  
The Hongkong & Shanghai Banking Corporation Limited  
ICICI Bank Limited  
IndusInd Bank Limited  
Scotia Bank  
State Bank of India

### 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
Annexures to Directors' Report.....	6
Management Discussion and Analysis Report .....	11
Report of Directors on Corporate Governance.....	19
Report of Various Committees of the Board.....	40
Auditors' Certificate on Corporate Governance.....	43
CEO / CFO Certification and Declaration on Compliance of Code of Conduct .....	44
Thomas Cook (India) Limited Financial Statements	
Auditors' Report .....	45
Balance Sheet .....	48
Profit and Loss Account .....	49
Schedules .....	50
Cash Flow Statement .....	72
Consolidated Financial Statements	
Auditors' Report .....	73
Balance Sheet .....	74
Profit and Loss Account .....	75
Schedules .....	76
Cash Flow Statement .....	94
Information regarding Subsidiary Companies	
Travel Corporation (India) Limited .....	95
Thomas Cook Insurance Services (India) Limited .....	119
Thomas Cook Tours Limited .....	133
Indian Horizon Travel & Tours Limited.....	136
Thomas Cook (Mauritius) Holding Company Limited.....	139
Information regarding Subsidiary Companies pursuant to Section 212 .....	148
Consolidated Five Financial Years' Performance.....	149
Thomas Cook Offices.....	150

# Directors' Report

## To the Members:

Your Directors have pleasure in presenting the Thirty-fourth Annual Report, together with the Balance Sheet and Profit and Loss Account for the year ended 31st December, 2010.

Rupees in Million

	Year ended 31st December, 2010	Year ended 31st December, 2009
Revenues	2792	2247
Profit before Taxation and Exceptional Items	532	341
Exceptional Items	100	—
Profit after Exceptional item and before Tax	632	341
Provision for Taxation	209	114
Provision for Deferred Taxation	8	4
Provision for Fringe Benefit Tax	—	1
Profit after Taxation	415	222
Transferred from Reserve U/sec. 80 HHD of the Income Tax Act, 1961	15	15
Transferred to General Reserve	42	22
Proposed Dividend *	79	80
EPS (Basic) after exceptional items	1.96	1.06
EPS (Diluted) after exceptional items	1.91	1.03

\* Includes preference share dividend

## Operations and Results

The year 2010 saw a revival in the general economy as well as the tourism industry. A strong GDP growth and the rising stock indices, coupled with positive outlook and the resurgence of suppressed demand, helped boost travel and tourism sector in 2010.

The demand for leisure holidays increased due to receding recessionary pressures, economic revival and return of confidence in Indian consumers. Despite the challenges faced last year in terms of a slow economy, sluggish demand and security concerns, the country was fighting back and tourism developments were taking place. Although there could be some short- to medium-term setbacks, the long-term outlook remains positive.

With Indian economy growing at around 8% per annum and rise in disposable incomes of Indians, an increasing number of people are going on holiday trips within the country and abroad resulting in the tourism industry growing wings. 2010 saw a revival in foreign tourist arrivals after the slump last year on account of the slowdown with a growth rate of 8% as compared to a de-growth of 2.2 % in 2009.

The year 2010 witnessed rupee appreciation against major currencies. The buoyant market conditions helped financial services of the Company grow by 8% in volumes over 2009 despite the fact that rupee appreciation created a challenging trading environment for the wholesale forex volumes.

Despite the constraints faced such as the volcanic eruption in Iceland and consequential ash cloud formation over UK & Europe, and heavy snowfall in the USA and UK, which disrupted air traffic, your Company overcame the difficult situation to report an increase in revenues by ₹ 539 million to ₹ 2792 million. Profit before Taxation and exceptional items increased to ₹ 532 million from ₹ 341 million.

Your Company recorded turnover of ₹ 2792 million and profit before tax and exceptional item of ₹ 532 million with profit after tax being ₹ 415 million for the year ended 31st December, 2010. The basic earning per share of the Company is ₹ 1.96.

## Thomas Cook Presence

As of December 2010 end, Thomas Cook (India) Limited, alongwith its subsidiaries, continues to be the largest integrated travel group in India with over 180 locations by way of its own branches, and additional presence by way of Preferred Sales Agents (PSA's) and Franchisee Offices. We have 180 branches located in 72 cities, 184 PSA's in India, 14 in overseas market and around 72 Franchisee Offices across India to have a wider spread and network across the country.

We also have presence in 6 countries outside of India through our representative offices in USA (New York), Spain (Barcelona and Madrid), UK (London), Japan (Tokyo), Germany (Frankfurt) and Nepal (Kathmandu), apart from our subsidiaries in Mauritius and Branch offices in Sri Lanka.

## Share Capital Structure

The share capital structure as of 17th February, 2011 is as follows:

	Rupees	Rupees
<b>Authorised Capital:</b>		
Equity:		
34,58,27,060 Equity Shares of ₹ 1/- each	345,827,060	
Preference:		
(i) 11,47,60,000 Class 'A', 4.65% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10/- each	1,147,600,000	
(ii) 3,55,294 Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each	3,552,940	
(iii) 3,02,000 Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each	3,020,000	
(iv) 12,50,00,000 1% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10/- each	1,250,000,000	
		<u>2,750,000,000</u>
<b>Issued, Subscribed and Paid-up Capital:</b>		
Equity:		
211,816,799 Equity Shares of ₹ 1/- each	211,816,799	
Preference:		
(i) 3,19,765 Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each	3,197,650	
(ii) 2,71,800 Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each	2,718,000	
		<u>217,732,449</u>

## Employees Stock Option Plans (ESOPs)

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

The Company has also introduced the Thomas Cook Save As You Earn Scheme 2010 (SAYE Scheme 2010) with similar objectives with the approval of the shareholders in December 2010 by means of a Postal Ballot. SAYE Scheme 2010 allows employees to save a part of their net pay every month which gets deposited with a bank in a recurring deposit account carrying fixed rate of interest. At the end of 3 years, employees have the option to either purchase specific number of equity shares of the Company at the predetermined Exercise Price or withdraw the Monthly Savings Contributions alongwith Interest accrued.

The Recruitment and Remuneration Committee administers and monitors the schemes. 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 employees, none of the other employees have received options exceeding 5% of the value of the options issued during the year ending December 2010. Likewise, during the year, no employee has been granted stock options 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' and Class 'C' Preference shares as per their terms, i.e. 0.001% (₹ 0.0001 per share of ₹ 10/- each) on the preference shares respectively. The Directors are also pleased to recommend a dividend of 37.5% (₹ 0.375 per share of ₹ 1/- each) on the equity share capital.



The proposed dividend on the equity capital and preference capital absorbs ₹ 79 million for dividend and ₹ 13 million for Dividend Tax. The Board seeks the approval of the shareholders to the dividend recommended on the preference and equity share capital as is outstanding on the date of book closure/ record date.

### General Reserve

Your Directors have resolved to transfer ₹ 42 million to General Reserve out of the profits of the Company. With the transfer, the total reserves stand at ₹ 2846 million as at 31st December, 2010.

### 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:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. 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;
3. 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;
4. 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 55.77% of the post ESOP Issue paid-up equity share capital of the Company. Thomas Cook UK Limited (TCUK) apart from holding 21.41% of the post ESOP Issue paid-up equity share capital of the Company, also holds 100% holding in TCIM Limited. Thus, TCUK indirectly holds 77.18% of the present paid-up equity share capital of the Company.

### Promoter Group

Pursuant to intimation from the promoters, the name of the Promoters and entities comprising the 'group' are disclosed hereinbelow 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, and they include the following:

#### 'Group'

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 Limited  
 Thomas Cook Continental Holdings Limited  
 Thomas Cook Group plc  
 Thomas Cook Investments (1) Limited  
 Thomas Cook Investments (2) Limited  
 Thomas Cook Overseas Limited  
 Thomas Cook Scheduled Tour Operations Limited  
 Thomas Cook Tour Operations Limited  
 Thomas Cook UK Limited

### Thomas Cook (India) Limited

#### *Operations in India [including subsidiaries]*

The businesses have shown a recovery due to economic revival and return of confidence in Indian consumers.

During the year, new products targeted at new destinations and new customer segments were launched. The Company launched television commercials and was one of the sponsors of "Mumbai Indians", a cricket team which is part of the Indian Premier League. During the year, the Company also launched "Readymade Holidays", a holiday package box available through any of our network and channel partners. These are

pre-packaged holidays for both domestic and international selected destinations. The Company expanded its Gold Circle Partners (GCP's) across India. The Company continued to build on the success of the media plan launched under the new "Holidaywallas" campaign in 2009.

The improved demand for foreign exchange coupled with the initiatives that were taken by your Company such as new branches opened, new counters at Delhi and Mumbai airport, post office tie-up, etc. enabled your Company to improve the retail volumes over 2009. With over 1.2 million transactions handled in 2010, your Company is one of the largest exporters in the world for bank notes. It handles majority of India's foreign currency bank notes. Your Company is in the process of tie-up with various principal agents worldwide for the remittance business. In this direction, it has signed Sub Agency agreement with UAE Exchange, Second largest inward remittance service in India and largest service provider in the Gulf Markets.

The 'new – look' of the Thomas Cook portal was also launched during the year. All Thomas Cook products are available through the portal with more user-friendly applications. Your Company is focusing on building the product range on the portal to capitalize on the growing e-business.

#### *Operations in Mauritius*

Mauritius has been facing a situation of appreciating currency which is impacting the foreign exchange business volumes. Inflation rate being at 2%, the Mauritian economy has seen major consequences of the global financial crisis, especially in its tourism sector and export oriented industries. With the support of Government funded stimulus packages, the loss of jobs effect has been contained and all indicators are pointing towards a further difficult year ahead.

In spite of the exchange rate impact to an estimated 18%, the customer base has increased and the company has gained further improved visibility in the market and has become a reference. With Mauritius seen as a major tourist destination and the Government's inclination to diversify its tourism base from a traditionally European base to include the Asian markets, Thomas Cook Mauritius will be focussing on seizing this opportunity and enhance the contribution from the holidays and leisure segment.

In Thomas Cook (Mauritius) Operations Company Limited (TCMOCL), a step-down subsidiary of the Company, a new integrated software 'Maraekat' was identified for implementation for foreign exchange and accounting transactions. The usage of the new system helped identify certain Accounting and Reconciliation Issues. The management has resolved and corrected these issues in the books after an independent enquiry and investigation.

#### *Operations in Sri Lanka Branch*

The Sri Lanka branch of your Company offers foreign exchange services from the arrival and departure lounge of the Bandaranaike International Airport, Colombo, Sri Lanka and also from a branch office in Colombo city.

The focus of your Company is to expand its operations by opening more branches in Colombo city and also various other cities across the Island as and when the approvals are received from the regulatory authorities. Your Company is also seeking to enhance its scope of license to enable it to play a more constructive role in the financial system of the country.

Post the end of insurgency in Sri Lanka, the inflow of tourists has started to increase. With a safe and stable environment, conducive to travel, the outlook seems positive for the country's economy and your Company would look to capitalize on it.

#### **Accolades and Awards**

Thomas Cook (India) Limited has been the recipient of the following highly prestigious awards/ accolades in 2010:

- CNBC AWAAZ - Best FOREX Company in India for the second year in a row
- 'India's Most Preferred Foreign Exchange Company' by Indian Hospitality Excellence Awards
- "Special Commendation" for the 'Golden Peacock National Training Award for the year 2010'

#### **Directors**

In accordance with Article 131 of the Articles of Association of the Company, Mr. M. K. Sharma, Mr. Ramesh Savoor and Mr. Krishnan Ramachandran retire by rotation and being eligible, offer themselves for re-appointment to the Board.

Mr. Rakshit Desai was re-appointed as the Executive Director – Travel Services of the Company for a period of one year w.e.f. 25th November, 2010 subject to the shareholders approval.

The above appointments, re-appointments and variations form part of the Notice of the Thirty-fourth 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 Corporate Governance Report forming part of this Annual Report.

During the period, Mr. Dilip De and Mr. Heinrich- Ludger Heuberg resigned from the Company. The Board placed on record its sincere appreciation for the contribution made by these Directors during their tenure as Directors of the Company.

With respect to the approvals sought from the Central Government in respect of the appointment and remuneration of Mr. Rakshit Desai for 2008 and 2009 and in respect of payment of managerial remuneration to Mr. Madhavan Menon and Mr. Vinayak K. Purohit for 2009, the same have since been received.

#### **Auditors**

M/s. Lovelock & Lewes, Chartered Accountants, Firm Registration No. 301056E, 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, Firm Registration No. W4179, are recommended for re-appointment as Branch Auditors of the Sri Lanka Branch of the Company.

### 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 and Indian Horizon Travel & Tours Limited for the year ended 31st December, 2010 and the Consolidated accounts of Thomas Cook (Mauritius) Holding Company Limited for the year ended 30th September, 2010 are separately attached as required under the provisions of Section 212 of the Companies Act, 1956. The Mauritian subsidiaries have changed their accounting year to end on 30th September every year. Accordingly, the Consolidated Accounts of Thomas Cook (Mauritius) Holding Company Limited for the year ended 30th September, 2010 are separately attached.

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

Your Company being in the Tourism and 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.

However, due to the voluntary measures adopted to conserve energy through an energy audit and consequently implementing its recommendations, your Company was able to make a saving in its energy / electricity consumption of 66210 units (approx. ₹ 1.2 million) at the Head Office and 98964 units (approx. ₹ 1.6 million) at its Chembur office.

During the year, the foreign exchange earnings amounted to ₹ 457 million, whereas, the Company has incurred ₹ 73 million as expenditure in foreign currencies towards interest, bank charges, licence fees, 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 Company has paid the Listing Fees to both the Stock Exchanges for the period 1st April, 2010 to 31st March, 2011.

### 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 Securities and Exchange Board of India and the Stock Exchanges where it is listed. The Management Discussion and Analysis Report forms part of this Annual Report.

For the year ended 31st December, 2010, your Company has complied with the requirements of Clause 49 of the Listing Agreement and other applicable rules and regulations with respect to Corporate Governance. A certificate from the Auditors of the Company regarding such compliance of conditions of Corporate Governance is attached to this report.

### Acknowledgments

Your Directors thank all the Shareholders, Customers, Vendors for their continued support throughout the year. We also thank Reserve Bank of India and other Banks, Ministry of Tourism, 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 possible.

FOR AND ON BEHALF OF THE BOARD

MADHAVAN MENON  
Managing Director

VINAYAK K. PUROHIT  
Executive Director - Finance

Mumbai,  
Dated: 17th February, 2011

# 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 Directors' Report for the year ended 31st December, 2010

Sr. No.	Name	Age	Designation	Remuneration	Nature of Duties	Qualification	Total Experience	Date of joining	Last Employment
1	Mr. Balakrishnan S	48	Head - Client Management, Corporate Travel	2,442,177	Responsible for Client Management, Corporate Travel	MA, Master in Public Admin	26	25-Aug-08	American Express Travel Service
2	Mr. Braganza James **	48	General Manager - Leisure Travel (Inbound)	436,867	Was Responsible for Liesure Travel (Inbound) as Senior Manager	B.Sc.	23	2-Jul-01	Travel Corporation (India) Limited
3	Mr. Cephas John **	36	General Manager - Dealings	795,132	In Charge of front office dealing Desk for half year. For rest responsible for growth & management of Foreign Exchange business in Tamil Nadu	B.Sc., PGDCP, AATAP	14	22-Aug-96	Started his career with Thomas Cook (India) Limited
4	Ms. Chawla Payal **	40	Senior Manager - Foreign Exchange	573,096	Was Responsible for Foreign Exchange as Senior Manager	B.Com., PGDCA	17	12-Aug-94	LKP Forex Limited
5	Mr. Chheda Jayesh **	42	General Manager - Commercial, Liesure Travel	856,906	Was Responsible for Liesure Travel as General Manager	C.A.	21	1-Jun-04	LKP Forex Limited
6	Ms. Dangi Dhanvanti	40	Associate Vice President -Treasury & Branch Controller	2,802,282	Responsible for management of Treasury functions and funds flow in India	B.Com., A.C.A.	15	14-Jan-08	Crest Animation Studios Limited
7	Mr. Dawe Sohrab	45	Vice President - Information Technology	4,604,909	Responsible for developing and managing the Information Technology systems and network for the Company and its subsidiaries in India and overseas	MHRDM, B.Com., Certificate in Software Applications (CSA)	23	9-Apr-07	Lavasa Corporation Limited
8	Mr. Desai Rakshit	35	Executive Director - Travel Services	25,201,185	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	11	25-Nov-08	Thomas Cook Group plc (UK)
9	Mr. Devgon Ashish	41	Regional Manager – Foreign Exchange, North	3,692,377	Responsible for the Management & Growth of Foreign Exchange business in North India	B.E. ( Electronics & Communication ), MBA - Marketing, Dip. in Int'l Business - IIM Calcutta	19	18-Oct-99	Punwire Mobile Communications Limited
10	Ms. Dosabhai Maharukh	50	Vice President - Human Resources	3,319,004	Responsible for Personnel, Compensation & Benefits, Performance Management functions of the Human Resources Department. Also responsible for Industrial Relations and employee welfare related matters.	M.Sc., M.A.M.	29	1-Jan-91	Mazda Industries Limited
11	Mr. Fernandez Lalit G.	47	Associate Vice President - South Corporate Travel	2,205,256	Responsible for Corporate Travel of South India	B.Sc., IATA- UFTAA	21	7-May-07	Singapore Airlines
12	Mr. Gupta Kailash	38	Associate Vice President - Commercial, Liesure Travel (Outbound)	2,764,891	Responsible for the Finance / Commercial matters of Leisure Travel (Outbound) business	B.Com., A.C.A.	15	12-Sep-07	Peninsula Asset Management Company Limited
13	Ms. Gupta Shivani	27	Associate Vice President - E-Business	2,402,385	Responsible for Management of E-Business	B.Com., PGDM (Finance & Strategy) from IIM	5	1-Jul-09	Boston Consulting Group
14	Mr. Issar Bhimesh **	37	Associate Vice President - Liesure Travel (Outbound and Domestic)	1,895,326	Was Responsible for Liesure Travel (Outbound and Domestic) as Associate Vice President	B.E. (Mech), MBA	14	1-Sep-05	Graphite India Limited
15	Mr. Iyer Mahesh	38	Vice President - Foreign Exchange	2,645,323	Responsible for Management of Foreign Exchange	B.Com., Dip. in Comp., PGD in Mktg. & Sales Mgmt. MMM (JBIMS), EPBM (IIM - Calcutta)	19	31-Oct-07	Ratan Batra Pvt. Ltd.
16	Mr. Kale Rajeev D.	41	Head - Liesure Travel (MICE, Domestic, Cruises & Sports Holidays)	3,856,420	Responsible for growth and operations of the M.I.C.E. (Meetings, Incentives, Conferences & Exhibitions), Domestic, Cruises and Sports Holidays Businesses of the Company	B.Com.	18	1-May-07	Cox & Kings India Private Limited
17	Mr. Kenkare Rambhau R.	45	President & Head - Legal and Company Secretary	7,161,550	Compliance for the Indian Operations and subsidiaries including IOR countries; Secretary - Board, Audit Committee, Share Transfer & Shareholders Investors Grievance Committee, Sub Committee; OMBUDSPERSON: Whistle Blower Policy, Fraud & Theft Reporting Policy; Compliance Officer: Corporate Governance, Prevention of Insider Trading Policy. Head of Compliance: Anti Money Laundering Guidelines. Overseeing The VISA & Passport Services Business.	B. Com., L.L.B, F.C.S., A.C.I.S. (UK), M.I.C.A.	22	1-Dec-98	Blue Dart Express Limited



Sr. No.	Name	Age	Designation	Remuneration	Nature of Duties	Qualification	Total Experience	Date of joining	Last Employment
18	Mr. Krishna Mohan	41	Vice President - Foreign Exchange	3,361,391	Responsible for the Management & Growth of Foreign Exchange business in South India	B.Com., ICWAI, MBA - Marketing	17	1-Feb-96	M/s. Interglobe Air Transport
19	Mr. Maheshwari Surendra **	34	Associate Vice President - Strategy & Planning and MIS	1,319,926	Was Responsible for Strategy & Planning and MIS all India	B.Com., C.A.	10	8-Jan-10	ICICI Bank Limited
20	Mr. Mantry Kuldeep **	41	Senior Vice President - Business Process Improvement & Audit	2,329,576	Responsible for the Business Process Improvement & Audit function of the Company on an all India Basis.	B.Com., A.C.A.	16	27-Jul-06	Syntel Inc.
21	Mr. Menon Madhavan	56	Managing Director	16,878,705	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, MBA (Fin. & Intl. Business) - George Washington University, USA	31	2-May-00	Birla Sun Life Asset Management Company (AMC) Ltd.
22	Mr. Mitbander Sameer **	44	Vice President - Liesure Travel (Inbound)	435,668	Responsible for Management of Liesure Travel (Inbound)	B.A., DHM, Master in Manangement Studies	22	1-Nov-10	Minar Travels India
23	Mr. Modi Brijesh	33	Vice President - Strategy Planning & Commercial (Foreign Exchange)	2,617,974	Responsible for Strategy Planning & Commercial functions of Foreign Exchange Business	B.Com, C.A.	12	3-Jan-05	Tata Motors Limited
24	Dr. Nair Prasanth	40	President & Head - Human Resources and Financial Services	5,626,946	Responsible for the Human Resources Function and Financial Services Business	B.Tech., Fellow Programme in Management (Doctoral Programme, IIM Ahmedabad)	13	9-May-05	Wockhardt Limited
25	Mr. Nair Suraj	40	Vice President - Strategy & Planning	3,796,137	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.	18	7-Jun-07	American Express
26	Mr. Nandy Debasis	45	Senior Vice President - Finance & Controller	5,722,178	Responsible for the Finance and Accounts Function of the Company in India, as also of its subsidiaries in India and abroad	B.Com., A.C.A.	23	14-Nov-08	Piramal Healthcare Limited
27	Mr. Narayan Prashant	38	Vice President – Liesure Travel (Inbound)	3,282,402	Responsible for Management of Liesure Travel (Inbound)	B.A., PGDBM	17	20-Mar-95	Videocon Intl Ltd.
28	Mr. Pai Madhav	46	Chief Operating Officer - Liesure Travel (Outbound)	5,688,658	Responsible for Sales, Products, Operations (including Tour Management) and Contracting for both the FIT and GIT parts of the Liesure Travel (Outbound) business and management of tour operations pan India	B.A., Hotel Management	27	1-Sep-09	SOTC Tours & Travels
29	Mr. Palsule Tushar **	39	Associate Vice President - Accounts, MIS & Budgeting	874,686	Responsible for Accounts, MIS & Budgeting of All India	B.Com., A.C.A.	13	6-Oct-10	Piramal Healthcare Ltd.
30	Mr. Pandey Amitabh	53	President & Head - E-Business	5,408,647	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)	29	1-Jun-07	IRCTC Limited, Ministry of Railways, Govt. of India
31	Ms. Pereira Suzanne	44	Vice President - E-Business	2,666,375	Responsible for managing E-Business & call centre shop at Chander Mukhi, Mumbai	B.Sc., IATA-UFTAA	23	15-Sep-90	Travel Heights
32	Ms. Pimenta June	59	Senior Vice President - Foreign Exchange	3,329,804	Responsible for Processes, Systems and RBI matters related to the Foreign Exchange Business	B.Sc.	33	22-Jan-79	Film World
33	Mr. Purohit Vinayak K	55	Executive Director - Finance	15,272,281	Overall responsibility for Finance and Accounting function of the Company in India as also its subsidiaries in India and overseas. Also oversees the Administration function of the Company	B.Com., A.C.A., TQM, MBR	30	14-May-07	HT Media Limited
34	Mr. Rastogi Indiver	31	Head - Enterprise Sales	2,620,000	Responsible for Enterprise Sales	B.A., Masters of Science in Transportation and Logistics	12	28-Apr-08	American Express
35	Mr. Sachdeva Anil	39	Associate Vice President - Accounts, North & East	2,516,899	Responsible for Accounts of North & East	B.Com., C.A, I.C.W.A.I.	16	9-Jun-09	Metropolitan Media Company Pvt. Limited
36	Mr. Sain Ajay Singh	41	Senior Vice President - Liesure Travel (Inbound)	2,325,317	Responsible for Management of Liesure Travel (Inbound)	B.A., Basic Certificate in German Language	19	1-Mar-08	Kuoni Destination Management (Inbound Division)

Sr. No.	Name	Age	Designation	Remuneration	Nature of Duties	Qualification	Total Experience	Date of joining	Last Employment
37	Ms. Sehan Tonia	46	Head - Operations, Corporate Travel	2,821,025	Responsible for management of Corporate Travel operations all India	B.A., M.A. (Tourism)	26	10-Sep-09	Carlson Wagonlit Travel
38	Mr. Sengupta Saibal	46	Head - Financial Services	3,803,784	Responsible for Management and growth of the Financial Services Business of the Company	B.Com., Executive Development Prog., Key Account Management	24	15-Nov-07	Bharti AXA Life Insurance Company
39	Mr. Shah Hetal **	37	Associate Vice President - Financial Services	167,903	Responsible for Management of Financial Services	B.Sc., PGDBM	15	7-Dec-10	ICICI Lombard GIC Ltd.
40	Mr. Sharma Ashish **	38	Associate Vice President - Foreign Exchange	1,371,548	Responsible for the Management & Growth of Foreign Exchange business in Gujarat & Rajasthan	B.Sc., PG Diploma in Marketing Mgmt., Course in MS Office	17	7-Sep-94	Lupin Laboratories Limited
41	Mr. Singh Surinder Sodhi	41	Senior Vice President - Liesure Travel (Inbound)	2,727,147	Responsible for Management of Liesure Travel (Inbound)	B.A., MBA, PGDT	22	4-Mar-08	Kuoni Destination Management
42	Mr. Srinivasan Anil	49	Chief Operating Officer - Visa and Passport Services & Sri Lankan Operations	4,715,651	Responsible for conceptualising and initiating and growth of the Visa & Passport Services Business of the Company. Also oversees the Sri Lankan Forex Operations	M.Com., IATA (Adv.), MDBA	32	16-Aug-79	Started his career with Thomas Cook (India) Limited
43	Mr. Suri Sunit **	44	Chief Operating Officer - Leisure Travel (Inbound)	4,061,537	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	21	18-Oct-07	Kuoni Travels Limited
44	Mr. Suri Vishal	43	Chief Operating Officer - Leisure Travel (Inbound)	6,036,104	Responsible for Sales, Products, Operations and Contracting for both Charter and non Charter parts of the Leisure Travel (Inbound) business	B.E. - Electrical, MSP	20	7-Nov-05	Bharti Tele-Ventures Limited
45	Mr. Tanwar Raj **	33	Associate Vice President - Human Resorces, North & East	1,918,130	Responsible for Human Resorces, North & East	PGDM(HR & IR), BBA	10	10-Jun-10	Punj Lloyd Ltd.
46	Mr. Thangaraj J.	39	Vice President - Human Resources	2,682,164	Responsible for Talent Acquisition and Talent Development	B.Sc., M.A. (Human Resources), MBA	16	1-Mar-06	Hindustan Cargo Limited
47	Mr. Thatte Amod	39	Head - Outbound Sales, Leisure Travel	2,640,290	Responsible for Sales of Leisure Travel (Outbound) products through Shops, Agents and other channels, including NRI segment	B.E. (Machine Tools), MMS (Mktg.)	16	29-Jan-01	Blow Plast Limited

## Notes:

- The nature of employment of Directors is contractual.
- 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 applicable. Wherever the actual costs are not ascertainable, monetary value of those perquisites as per Income-tax Rules, 1962 has been considered.
- Gratuity is contributed for the Company as a whole and hence excluded.
- None of the employees mentioned above is a relative of any Director of the Company.
- \*\* Employed for part of the year and in receipt of remuneration aggregating to Rs. 2,00,000/- per month or more.

MADHAVAN MENON – Managing Director  
VINAYAK K. PUROHIT – Executive Director - Finance

Mumbai  
Dated: 17th February, 2011

# 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 for the year ended 31st December, 2010 as of 17th February, 2011

Scheme Name		Thomas Cook Employees Stock Option Plan 2007 (ESOP Scheme 2007)				Thomas Cook Save As You Earn Scheme 2010 (SAYE Scheme 2010)
Sr. No.	Particulars	Granted on 25th July, 2007	Granted on 10th July, 2008	Granted on 20th March, 2009	Granted on 27th May, 2010	Granted on 14th December, 2010
1.	Options Granted and Accepted	1104125	1240000	2068725	991313	1020310 *
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	95% of the closing market price on that exchange where higher shares are traded	90% of the closing market price on that exchange where higher shares are traded	90% of the closing market price on that exchange where higher shares are traded
3.	Exercise Price (₹)	61.89	77.62	30.31	52.74	50.40
4.	Options Vested and exercisable	617000	513660	395062	None vested	None vested
5.	Options Exercised	113540	0	270230 *	0	0
6.	Total number of Ordinary Shares arising as a result of exercise of Options	113540	0	270230 *	0	0
7.	Options Lapsed/ Forfeited/ Cancelled (doesn't include options not accepted)	373585	469500	280240	0	0
8.	Variations of terms of Options	The ESOP Scheme 2007 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	The ESOP Scheme 2007 was amended at the AGM held on 12th May, 2010, for the purposes of changing the pricing formula so that the discount to the employees for future grants is 10% instead of 5% of the closing market price according to SEBI guidelines	
9.	Money realised by exercise of the Options	₹ 7,026,990.60	N.A.	₹ 8,190,671.30	N.A.	N.A.
10.	Total number of Options in force (vested + unvested)	617000	770500	1527355	991313	1020310 *
Other Particulars		Thomas Cook Employees Stock Option Plan 2007 (ESOP Scheme 2007)			Thomas Cook Save As You Earn Scheme 2010 (SAYE Scheme 2010)	
11.	i) Details of Options granted to senior managerial personnel	Appendix – A			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 that Year	Appendix – B			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			None	
12.	Diluted Earning Per Share (EPS) calculated in accordance with Accounting Standard 20 issued by ICAI for the year ended 31st December, 2010	₹ 1.91			₹ 1.91	
13.	Employee Compensation Cost & EPS					
	i) Method of calculation of employee compensation cost	Intrinsic Value Method			(Rupees)	
	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: 415,381,017 Add: Intrinsic Value: 1,789,670 Less: Fair Value: 29,176,284			415,381,017 1,789,670 29,176,284	
	iii) The impact of difference on profits and EPS of the Company for the year ended 31st December, 2010 had fair value Options had been used for accounting Employee Options	Adjusted Profits: 387,994,403 Reported Basic EPS: 1.96 Adjusted Basic EPS: 1.83 Reported Diluted EPS: 1.91 Adjusted Diluted EPS: 1.77			387,994,403 1.96 1.83 1.91 1.77	
14.	Weighted Average exercise price of options granted during the year is less than market price of stock on the grant date and is:	₹ 52.74			₹ 50.40	
15.	Weighted Average Fair Values of options granted during the year is:	₹ 33.88			₹ 27.67	
16.	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	7.25% - 7.46%			7.75%	
	2) Expected Life	5.50 - 6.51 years			3.28 years	
	3) Expected Volatility based on daily closing Market Price	52.61% - 52.36%			58.94%	
	4) Expected Dividend Yield	0.74%			0.74%	
	5) The price of underlying share in the market at the time of grant	₹ 58.60			₹ 56.00	

\* The items marked with an asterisk have been considered upto the date of the Board Meeting, i.e. upto 17th February 2011.

## Appendix – A (Details of options granted to and accepted by Senior Managerial Personnel during 2010)

Sr. No.	Name of Senior Managerial Personnel	Designation	ESOP Scheme 2007	SAYE Scheme 2010
			No. of Options granted and accepted in 2010	No. of Options accepted *
1.	Mr. Madhavan Menon	Managing Director	-	16243
2.	Mr. Vinayak K. Purohit	Executive Director – Finance	-	16243
3.	Mr. Rakshit Desai	Executive Director – Travel Services	-	16243
4.	Mr. Amitabh Pandey	President & Head – E-Businesses	174150	-
5.	Dr. D. Prasanth Nair	President & Head – Human Resources & Special Projects	174150	8121
6.	Mr. R. R. Kenkare	President & Head – Legal & Company Secretary	392063	16243
<b>TOTAL</b>			<b>740363</b>	<b>73093</b>

\* The figures of options mentioned in this column may change if the interest rate changes at the time of the first deduction from the salary as per the terms of the SAYE Scheme 2010

## Appendix – B

## I. Employees, apart from Senior Managerial Personnel, who received in 2010, grants of Options amounting to 5% or more of Options granted and accepted during 2010 under ESOP Scheme 2007

Sr. No.	Name of Employee	Designation	Options offered in 2010	Percentage of options offered in 2010
1.	Mr. Vishal Suri	Chief Operating Officer – Leisure Travel (Outbound) & Domestic	147825	14.91%
2.	Mr. Debasis Nandy	Senior Vice President - Finance & Controller	75000	7.57%
<b>TOTAL</b>			<b>222825</b>	

## II. Employees, apart from Senior Managerial Personnel, who received in 2009, grants of Options amounting to 5% or more of Options granted and accepted during 2009 under ESOP Scheme 2007

Sr. No.	Name of Employee	Designation	Options offered in 2009	Percentage of options offered in 2009
1.	Mr. Sunit Suri*	Chief Operating Officer – Leisure Travel (Inbound)	122850	5.60%
<b>TOTAL</b>			<b>122850</b>	

\* Resigned

## III. Employees, apart from Senior Managerial Personnel, who received in 2008, grants of Options amounting to 5% or more of Options granted and accepted during 2008 under ESOP Scheme 2007

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	73000	5.16%
2.	Mr. Sunit Suri*	Chief Operating Officer – Leisure Travel (Inbound)	78000	5.52%
<b>TOTAL</b>			<b>151000</b>	

\* Resigned

Notes: 1. There were no employees who received in 2007, grants of Options amounting to 5% or more of Options granted during 2007 under ESOP Scheme 2007

2. There were no employees who received in 2010, grants of Options amounting to 5% or more of Options granted during 2010 under SAYE Scheme 2010

FOR AND ON BEHALF OF THE BOARD

MADHAVAN MENON - Managing Director  
VINAYAK K. PUROHIT - Executive Director - Finance

Mumbai  
Dated: 17th February, 2011

# The Management Discussion and Analysis Report

## TRAVEL AND TOURISM INDUSTRY OVERVIEW

Travel and tourism is one of the largest service industries globally in terms of gross revenue and foreign exchange earnings. It is also one of the largest employment generators in the world. It has been a major social phenomenon and is driven by social, religious, recreational, knowledge seeking and business interests and motivated by the human urge for new experience, adventure, education and entertainment. Tourism is both cause and consequence of economic development. It has the potential to stimulate other sectors in the economy owing to cross-synergistic benefits and its backward and forward linkages.

Globally, travel and tourism is one of the fastest-growing industries and a leader in many countries. The contribution of the industry to the global economy remains high.

## INDIAN TRAVEL AND TOURISM INDUSTRY

India's travel and tourism industry is expected to generate revenue of ₹ 1,970 billion (US\$ 42 billion) in 2010, according to the World Travel & Tourism Council (WTTC). This would be around 3.1% of total GDP. However, travel and tourism touches all sectors of the economy, its real impact is greater and the travel and tourism economy directly and indirectly accounts for ₹ 5,533 billion (US\$ 118 billion), equivalent to 8.6% of total GDP. (Source: *Indian Travel, tourism & Hospitality Industry – D&B Sectoral Round Table Conferences, a Dun & Bradstreet Publication*).

The Indian tourism sector is seen generating \$42.8 billion by 2017, according to an industry research note by auditing and consulting firm Deloitte Touche. Despite the challenges faced last year in terms of a slow economy, sluggish demand and security concerns, the country was fighting back and tourism developments were taking place, it said. "Although there could be some short-to medium-term set backs, the long-term outlook remains positive," it said.

With Indian economy growing at around 8% per annum and rise in disposable incomes of Indians, an increasing number of people

are going on holiday trips within the country and abroad resulting in the tourism industry growing wings.

It is fast turning into a volume game where an ever-burgeoning number of participants are pushing up revenues of industry players (hotels, tour operators, airlines, shipping lines, etc). Thus, the tourism sector is expected to perform very well in future and the industry offers an interesting investment opportunity for long-term investors.

India is now chalking up one of its strongest growth charts in a long time. As the Indian economy continues to open up in an effort to integrate with the world economy, benefits of doing business with and in India are increasing. With the results, hundreds of thousands of jobs are moving to the Indian shores from the West. This brings in its wake transit travelers, business travelers, business meets and holiday seekers.

2010 saw a revival in foreign tourist arrivals after the slump last year on account of the slow down. Foreign Tourist Arrivals (FTAs) in India during 2010 were 5.58 million with a growth rate of 8% as compared to the FTAs of 5.17 million versus de-growth of 2.2% in 2009. The 8% growth rate in FTAs for 2010 over 2009 for India is much better than UNWTO's projected growth rate of 5% to 6% for the world during the same period. Foreign Exchange Earnings from tourism (FEE) in Rupee terms during 2010 were ₹ 64,889 crore with a growth rate of 18.1%, as compared to FEE of ₹ 54,960 crore with a growth rate of 8.3% during 2009 over 2008. Thus the growth rate in 2010 was more than double of that observed during 2009. FEE from tourism during 2010 were US\$ 14,193 million as compared to US\$ 11,394 million during 2009 and US\$ 11,747 million during 2008. The growth rate in FEE in US\$ terms during 2010 was 24.6% as compared to a decline of 3% in 2009 over 2008. Therefore, in US\$ terms also, growth rate observed in 2010 was positive and substantially high.

A statement giving Foreign Tourist Arrivals in India and Foreign Exchange Earnings from tourism for the last eleven years i.e. 2000 to 2010 are given below:

## Foreign Tourist Arrivals and estimated Foreign Exchange Earnings during the years 2000-2010

Year	Foreign Tourist Arrivals (in million nos.)	Percentage Change Over Previous Year	Estimated Foreign Exchange Earnings (₹ in Crore)	Percentage Change Over Previous Year	Estimated Foreign Exchange (in Million US\$)	Percentage Change Over Previous Year
1999	2.48	5.2	12951	6.6	3009	2.1
2000	2.65	6.7	15626	20.7	3460	15.0
2001	2.54	-4.2	15083	-3.5	3198	-7.6
2002	2.38	-6.0	15064	-0.1	3103	-3.0
2003	2.73	14.3	20729	37.6	4463	43.8
2004	3.46	26.8	27944	34.8	6170	38.2
2005	3.92	13.3	33123	18.5	7493	21.4
2006	4.45	13.5	39025	17.8	8634	15.2
2007	5.08	14.3	44360	13.7	10729	24.3
2008	5.28	4.0	50730	14.4	11747	9.5
2009	5.17*	-2.2*	54960*	8.3*	11394*	-3.0*
2010	5.58@	8@	64889@	18.1@	14193	24.6@

\* Revised @ Estimated

(Source: Market Research Division of the Ministry of Tourism)



## SPECIAL GOVERNMENT INITIATIVES

According to the Consolidated FDI Policy, released by DIPP, Ministry of Commerce and Industry, Government of India, the government has allowed 100 per cent foreign investment under the automatic route in the hotel and tourism related industry. The terms hotel includes restaurants, beach resorts and other tourism complexes providing accommodation and /or catering and food facilities to tourists.

The term tourism related industry includes:

- Travel agencies, tour operating agencies and tourist transport operating agencies
- Units providing facilities for cultural, adventure and wildlife experience to tourists
- Surface, air and water transport facilities for tourists
- Convention/seminar units and organisations

The Government of India has announced a scheme of granting Tourist Visa on Arrival (T-VoA) for the citizens of Finland, Japan, Luxembourg, New Zealand and Singapore. The scheme is valid for citizens of the above mentioned countries planning to visit India on single entry strictly for the purpose of tourism and for a short period of upto a maximum of 30 days. During 2010, a total number of 6549 Visa on Arrivals (VoA) were issued under VoA Scheme.

The tourism master plan, the first for Karnataka, envisages initiatives to attract private investment ranging from US\$ 2.2 billion to US\$ 4.4 billion in the next three to five years. The plan is prepared based on the Vision 2020 document prepared and adopted by the Karnataka State Planning Board. The state government aims to generate 200,000 jobs in the tourism sector in the next five years. The master plan is aimed at making Karnataka the number one destination for tourism in the country by 2020, according to Mr. G. Janardhan Reddy, Minister for Tourism and Infrastructure Development

As per the press release by Press Information Bureau (PIB) dated 15th November, 2010, the Union Ministry of Tourism has included Medical Tourism under the Marketing Development Assistance (MDA) Scheme.

The Ministry of Tourism has sanctioned 781 projects in 34 States/ Union Territories (UTs) in the country amounting to US\$ 511.82 million during the last three years up to June 2010, as per a press release dated 18th October, 2010.

### Present Scenario

India's GDP growth in 2010-11 is estimated to be 8.6%. This is versus a lower GDP growth of 7.4 % witnessed in 09-10 (Source: Finance Ministry website).

The year 2010 witnessed rupee appreciation against major currencies. Net FII inflows recovered from ₹ 879.9 billion in 2009 to ₹ 1,796.7 billion in 2010 (Source: SEBI website).

The national Indices, BSE SENSEX and NSE S&P CNX NIFTY, reflecting the positive outlook for India, increased from 17,473.45 and 5200.90 at the beginning of the year and ended at 20,509.09 and 6134.50 points respectively (Source: BSE & NSE websites).

Tracking the positive indices, corporates increased their travel spends, which helped us grow our corporate travel volumes by 38% against last year.

Leisure travel also benefitted due to the positive signals and your Company was able to record a growth of over 30% in volumes over last year.

The above buoyant market conditions also helped financial services grow by around 8% in volumes over last year.

## FINANCIAL SERVICES

Forex market in India is a regulated market and volumes are closely tied up to Dollar-Rupee exchange rate.

Your Company is the market leader in forex and offers various services like currency exchange, money transfer, remittance, Travellers cheques, pay orders, wire transfers and pre-paid cards.

It caters to the forex needs across various segments of customers such as leisure outbound travellers, travellers for migration, employment and medical treatment, students travelling abroad for studies, inbound tourists, business travellers, banks, non-bank retailers and money changers.

Your Company handled 1.2 million transactions in 2010 and is one of the largest exporters in the world for bank notes. It handles majority of India's foreign currency bank notes. It has a largest distribution of 172 locations in 70 cities amongst the forex players in the country.

The year 2010 too like 2009, witnessed a volatility in Indian Rupee (INR) Vs all the major currencies (Vs USD 8%, GBP 15% and Euro 18%). Higher confidence level in the Indian economy led to higher Foreign Institution Inflows in the country. Gross inflow in the country has increased by 32% in 2010 over 2009. This made the Rupee stronger. However, this created a challenging trading environment for the forex players dealing in bulk volumes.

On the retail side, we saw an increase in demand of foreign currencies by corporates, leisure travellers and remittances abroad. It is a clear indication of higher confidence level by consumers in the economy. This increase in demand coupled with the results of initiatives that were taken by your Company in 2009 such as new branches opened in 2009, new counters at Delhi and Mumbai airport, post office tie-up etc. enabled your Company to improve the retail volumes significantly over 2009. The Company continued its focus on margin and cost management during the year.

Your Company for the second year in a row won the "Best Forex Company" award by CNBC Awaaz.

The Company is focusing on retail side of the business where the impact of volatility of exchange rate is not significant. Bundling

of products for various consumer segments, higher visibility of products offered, increasing the distribution channels, new tie-ups, re-negotiation of rates with vendors etc. are some of the key initiatives in pipeline for 2011.

In addition to the above, your Company would like to focus on the expansion of the remittance business which has a huge potential. India is the world's largest recipient of remittances. The remittances grew from \$49.6 billion in 2009 to \$55 billion in 2010. It is also the country with the second largest number of emigrants after Mexico, according to the World Bank. India is ranked 10th in the list of nations attracting the most immigrants. Moreover, Reserve Bank of India has recently done away with the exclusivity clause for the money transfer services. This offers attractive opportunities for inward remittances. Your Company is in the process of tie-up with various principal agents worldwide for the remittance business. In this direction, it has signed Sub Agency agreement with UAE Exchange, Second largest inward remittance service in India and largest service provider in the Gulf Markets.

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

Thomas Cook Mauritius has consolidated all its operations and controls have been beefed up to cater for the future expansion plans of the organization.

In Sri Lanka, the inflow of tourists has started to increase. With a safe and stable environment, conducive to travel, the outlook seems positive for the country's economy and your Company would look to capitalize on it. The focus of your Company is to expand its operations by opening more branches in Colombo city and also various other cities across the Island as and when the approvals are received from the regulatory authorities. Your Company is also seeking to enhance its scope of license to enable it to play a more constructive role in the financial system of the country.

## INSURANCE BUSINESS

According to data released by the Insurance Regulatory and Development Authority (IRDA), the General Insurance industry recorded a growth of 22.76% year-on-year (y-o-y) in gross premium underwritten during April–October 2010.

The General Insurance industry collected gross premium of US\$ 5.29 billion during April–October 2010 compared with US\$ 4.31 billion in the same period last year.

The public sector players posted 21.09% y-o-y growth in gross premium during April–October 2010 over the corresponding period last year. At the same time, private players recorded a 25.19% y-o-y increase in gross premium.

According to the IRDA's Summary Reports of Motor Data of Public and Private Sector Insurers - 2009-10, nearly 28.4 million policies were issued and a total premium of US\$ 2.31 billion was collected.

In view of these growing trends, we have moved our vision from being a sole travel insurance provider to introducing other personal lines of insurances like Motor, Health, Personal Accident, etc.

We, as Thomas Cook, have grown by 88% over last year and have been maintaining a steady growth. With introduction of these other lines of General Insurance products and with new distribution systems in place, we are poised to grow, negating all fluctuations in the market.

## TRAVEL AND RELATED SERVICES

The economy registered signs of revival in 2010, with the robust GDP growth and the rising stock indices. The positive outlook and the resurgence of suppressed demand, helped boost travel and tourism sector in 2010. Passengers handled at the airports grew by 16% over last year. Your Company took several initiatives during the year to capitalize on this growth momentum.

Despite the constraints faced such as the volcanic eruption in Iceland and consequential ash cloud formation over UK & Europe, and heavy snowfall in the USA and UK, which disrupted air traffic, we continued our robust growth in outbound. Further, with the receding recessionary pressures, the demand in the leisure holidays space came back strongly. This year the Leisure business has shown a robust recovery due to economic revival and return of confidence in Indian consumers.

Your Company launched new products to meet the growing demands of the consumers. The new products were targeted at new destinations and new customer segments. Your Company also expanded its distribution network by opening several new stores and appointing new franchisees across the country. A new booking software was launched during the year to improve operational efficiencies.

The Company continued to build on the success of the media plan launched under the new 'Holidaywalla campaign' in 2009. The Company launched television commercials and also sponsored 'Mumbai Indians', a cricket team which is part of the Indian Premier League.

During the year, the Company also launched "Readymade Holidays" a holiday package box available through any of our network and channel partners. These are pre-packaged holidays for both domestic and international selected destinations.

The 'new – look' of the Thomas Cook website was also launched during the year. All Thomas Cook products are available through the portal with more user-friendly applications. Your Company is focusing on building the product range on the portal to capitalize on the growing segment of e-commerce.

After witnessing the continued and consistent uptrend in the business activities across the globe, Indian corporates gradually increased their business travel. During the recessionary period, corporates realized the value of travel consulting and strategies to cut costs.

This year, the investments made in technology over the past few years started bearing fruits. The in-house developed 'Corporate Travel Module' (CTM) which is unique of its kind in the industry, was deployed across the country. This is an end to end processing tool with very high degree of automation. With this tool, we were able to reduce our costs significantly and these benefits were passed on to the clients. We consolidated our GDS partnership and migrated to Amadeus for better business gains for our all India operations.

However, newly acquired clients, and even some of the existing clients went for re-pricing, bringing the margins under pressure. Also, during the period of recession, large corporates made investments in substitute technologies in a bid to cut travel costs. However, this couldn't dent the travel spend, as the resurgence in business activity was quite strong.

Meetings, Incentives, Conferences and Events (MICE), which is a fast growing segment within the leisure travel sector, continues to be a focus area. Your Company is able to leverage its corporate business to grow this segment. Your Company has emerged as one of significant player in this Business.

With all the stalled expansion projects being put back on the growth path, and the lift of the travel freeze, business travel demand also saw a significant upsurge in 2010. Several large accounts were acquired during the year which helped in increasing sales. Also, there was a continual focus on process changes and training, to sustain operational excellence.

Domestic tourism has been growing rapidly in the last few years. The Company has launched several tour packages to capitalize on the growing demand from the domestic tourism.

The stronger demand has also led to airlines firming up ticket prices, which will lead to better yields. The increase in total ticketed volume for the combined travel businesses, will enable us have better bargaining power with our principals, to sustain higher revenue margins.

Our customer base is projected to expand with the inclusion of some new large volume corporates. This possibility, coupled with organic growth and newer business avenues from our existing large accounts, would help us register growth during 2011.

While the domestic demand grew, the inbound sector was soft through the year. The major source markets were still in recession through a large part of the year. Continued negotiation with suppliers helped protect margins. Costs were kept under a tight control with several initiatives being taken to boost productivity. Your Company also had some senior management attrition and went through organizational re-structuring exercise.

Despite the continuing recession in some of the source markets, the last quarter of the year saw an increase in tourist arrivals, and the demand is expected to continue through the coming year.

The outlook for next year looks positive; demand for travel services continues to grow. Your Company will nurture and grow

the new product lines and continue to innovate to meet the needs and expectations of the customers. The increase in total ticketed volume for the combined travel businesses will enable us to have better bargaining power with our principals and to sustain higher revenue margins in the coming year. The demand forecast for business and corporate travel in the year 2011 is strong and could see a growth in double digit figures. This is because in a growing economy, the travel grows at a rate higher than the GDP. We see our clients aggressively adding headcounts which is one of the strongest factors in favour of our business. We see growth coming from across our clientele, with IT and Oil & Gas sectors leading the pack. In addition to this, we have increased our focus on high margin travel consulting services and we expect its share in overall business revenue to go up significantly during the year.

Any desperate attempt by competition to eat in our customer base, even on loss making financials, could affect our growth during the year. Small and large competitors are desperate to make inroads into our existing customer base, as also continue to woo new customers with unviable financial terms with extended credit.

The possibility of oil prices going on an upward trend are a cause of concern, as any continual rise in fare hikes would lead corporates to prune their travel budgets during the year by either curtailing number of trips or travelling on lower classes/ low cost airlines.

Any unforeseen global economic downturn, or acts of terror, natural calamities which may derail the economy, would lead to curtailment of travel during the year; these perils cannot be disregarded in the future.

Your Company will continue to take concrete actions to take advantage of the ever changing and growing travel sector, and continue to provide the Indian tourists with global bench-marked services and an appropriate infrastructural platform to the tourism sector.

## VISA AND PASSPORT BUSINESS

This vertical of your Company has been in existence for over two years primarily catering to the needs of the Travel Businesses of your Company. It also services external customers from the travel domain both online and bricks and motor agencies, and Small and Medium corporate houses and has significantly grown its throughput of transactions last year to over a lakh.

The content site developed by the business is quite informative and rich in content, facilitating travellers who wish to apply for visas and provides detailed information to intermediary customers such as agents. It also has an online tracker enabling tracking the documents through its various stages of processing.

The business is poised for further growth in view of increase in Indians with high disposable incomes travelling overseas on holidays. It has also launched a variety of products which are ancillary to the long-term visas which are procured by corporate travellers and their families and hence embarked on Attestations, Legalization, Apostille, Translation, Notarization of documents, Foreigners Regional Registration Office (FRRO) registration/ visa

extension/ exit permit, procures People of Indian Origin / Overseas Citizen of India (PIO/ OCI) cards etc.

The business continues to face challenges and risks in the form of biometrics processes being introduced by some of the Missions which will eliminate the use of intermediaries. 'Visas on Arrival' being granted to Indians in selective cases pose the challenge of fewer visas being processed.

## FINANCIAL PERFORMANCE

The Company has posted profit before tax (and before exceptional items) of ₹ 532 million (previous year ₹ 341 million) and the profit after tax (after exceptional items) of ₹ 415 million (previous year ₹ 222 million). On a consolidated basis, the profit before tax (and before exceptional items) stood at ₹ 636 million (previous year ₹ 405 million) and the profit after tax (after exceptional items) was ₹ 472 million (previous year ₹ 250 million).

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal control systems are embedded in the processes across all functions in the Company. These systems are being regularly reviewed and wherever necessary are modified or redesigned to ensure better efficiency and effectiveness. The front office system and web based applications are 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 of 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 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. 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 and 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 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 Reserve Bank of India.

The management is in the process of resolving the teething and implementation issues in its CTM application relating to strengthening of internal control systems in respect of Corporate Travel Business. In Thomas Cook (Mauritius) Operations Company Limited (TCMOCL), a step-down subsidiary of the Company, a new integrated software 'Maraekat' was identified for implementation for foreign exchange and accounting transactions. The usage of the new system helped identify certain Accounting and Reconciliation Issues. The management has resolved and corrected these issues in the books after an independent enquiry and investigation.

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

We have a mix of different hardware (servers - Intel, RISC etc.). These servers run the day-to-day transaction systems like FOS, SAP, TRIBS & RTF etc. and also systems which handle e-mail, proxy,

Anti Virus, etc. We have software which is internally developed and also have systems developed by external providers (e.g. TCS). The Company uses various networking service providers like Airtel-Bharti, Tata, BSNL etc. for its communication needs. The network is by-and-large a Virtual Private Network (VPN). However, internet is also used as a method of connecting remote users to our business applications.

One of the prime concerns on the hardware and software front is that it should be upgraded in a timely manner so as to be up-to-date with the prevalent technologies and be ready for supporting the increase and changing needs of the business. Further, the network has got points of connect through the internet. Internet being a public domain area, it has a potential of disrupting our network if proper security measures are not put in place.

We have used the best technologies and firewalls to ensure that our network is protected from the vagaries of the internet.

#### **Information Systems Security Committee (ISSC):**

The internal information security is governed by the Information System Security Policy (ISSP). As noted, the policy is implemented and monitored by the ISSC. 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 Meetings. 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. This Committee has overall responsibility for all areas concerning IT security.

#### **SERVICE QUALITY & CUSTOMER SERVICES**

The Service Quality & Customer Care department has been an independent department since June 2007. During this period 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 with 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.
- Ensuring standardization in Customer interactions

During the year 2010, the department undertook the following initiatives:-

**Complaint Management Handling & Analysis** – Thomas Cook considers complaints as opportunities for improvement and understands the link between complaint resolution and customer loyalty. The organization works hard to act immediately on issues and problems that can be easily resolved. The Company encourages employees to bring complaints to the forefront in a variety of formal and informal ways. We wish to know our shortcomings as well as what we do well. Hence, the Service Quality team was instituted and has developed a Complaints Handling System so as to capture brickbats and bouquets thereby providing reports easily on re-occurring issues.

Standard Operating Procedures have also been created and are followed diligently by the Service Quality department when addressing customer grievances, so as to ensure an effective recovery of the customers concerns.

2010 was an extremely challenging year with the Volcanic Ash cloud causing much chaos during the peak travel period for our Outbound travel as well as the unrest in Bangkok during the same period. Despite these adverse circumstances which led to a substantial increase in customer feedback and complaints, there have been a large number of positive comebacks to the replies sent to the irate clients, thereby indicating that the detailed responses have had a positive impact.

Thomas Cook also realizes the importance of sharing the information gleaned, from complaints, across the organization so that all employees and Business Units can benefit from the same & initiate improvements.

**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 collated on a quarterly basis and culminate in annual awards which also recognize those support departments that have ably assisted the frontline through the year. There are various categories of annual awards which recognize departments and individuals in a transparent and systematic manner. The annual awards were presented at a large get together of many employees of the Organization.

**Uniforms** – The department has unveiled new uniforms for all customer interfacing employees across India, as a well groomed appearance instils confidence in a customer and projects a positive & efficient outlook to all. The uniforms have been inspired by those worn in Thomas Cook UK but have been adapted to suit our needs. These employees are our "brand ambassadors" and will wear the uniform with pride and confidence whether at our retail outlets or at the corporate customers' locations.

**Health And Safety** – Protecting the health and safety of our customers remains our primary concern. As part of our endeavour to ensure high levels of safety for our customers and employees, Thomas Cook has initiated such focus through dedicated resources



in the Organization. The aim is to develop policies and standards that would adhere to international requirements for preferred practices and ensure high quality systems to enable consistent Health and Safety reporting of incidents and accidents that could arise. In the future, the aim would be to train and develop appropriate staff to maintain the professional levels of product and service offerings that we have come to be known for.

**Service Trackers** – To encourage critical customer feedback, we created a new set of Service Trackers intended to enable more objective feedback from customers on various service and product offerings as well as on our Vision and Values.

With a feedback form we are letting our customers know that we want them to provide us with feedback and that we will listen to their comments and act on them. A detailed analysis is shared with the Business heads annually and corrective measures taken based on the findings.

### Customer Data Management

It is essential to capture customer information in order to leverage for Customer Relationship and Loyalty and thereby sustain and increase our business; as well as to cross-sell our huge range of products and services.

In order to create a database of our customers which would be used for any future Customer Relationship Management solution, a software has been put in place to capture accurate details of customers, at one source, by the Sales colleagues at all customer interface touch points across the Thomas Cook network. The data being inputted is also tracked and managed on a monthly basis and provided to the relevant departments for updating clients on new offers.

This data is also currently being used for various promotional activities via email and SMS campaigns thereby creating awareness of happenings and achievements at Thomas Cook.

While we continue on this path of constant improvement, we strive to make this company one that “truly delights” the customer this time and every time.

## HUMAN RESOURCES

### *Human Resources Management:*

Human Resources in Thomas Cook strives 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.

The world stands at important crossroads. These are challenging times, and to retain a competitive edge, a company must direct individual accomplishment toward organisational objectives. The

only sustainable differentiator of organisational success lies in the Vision and Values of a company. We must be the force that influences industry standards. In our kind of business, people come to us with dreams, with plans, with trust, hoping we will make those dreams come true.

The Thomas Cook Group has defined the Vision of the Group, an inspiration for each one of us: **“We Go Further to Make Dreams Come True ...”**

To enable the vision and to provide the context of the kind of organisation we want to create and the people we want to be, the group also defined the ‘VALUES’. Thomas Cook India has always prided itself on core values that act as a foundation to our organisation and we are now re-aligning our values to reflect that of the Group. Our Values are called the PRIDE Values.

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

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

To drive the future business growth TCIL has embarked upon a Key Talent Plan through which employees are identified as Key Talent based on performance, potential and criticality. Various interventions are planned for nurturing those identified and enable them scale up for higher responsibilities.

The organization continued to focus on Training & Development initiatives at all the levels – The Managerial and Leadership Effectiveness (MILE) programs launched in collaboration with two of the most prestigious management institutes in India – the Indian Institute of Management, Ahmedabad and the Indian Institute of Management, Indore. We run the program at three levels for Senior, Middle and Entry level Managerial staff, viz. MILE I, MILE II and MILE III. We have initiated a structured induction program at the entry level ‘SPARK’ which ensures that all staff are suitably trained and equipped for their job.

The Company continues to nurture talent through TCMLP (Thomas Cook Middle Leadership Program), TCMTTP (Thomas Cook Management Trainee Program) and TCETP (Thomas Cook Executive Trainee Program) so as to create talent pipeline at various levels in junior and middle management.

To provide an energetic work environment, last year we launched the PRIDE Club – through which non work opportunities related to fun and learning are provided – this included having the PRIDE cricket tournament in various cities, celebrating various festivals in office as also having evening sessions on matters of interest.

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 by creating an organization of our dreams.

*Employee Strength:*

The financial year end employee strength was 2600 including those employed at Sri Lanka, Mauritius and the Indian subsidiaries.

*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**

MADHAVAN MENON  
Managing Director

VINAYAK K. PUROHIT  
Executive Director - Finance

Mumbai,  
Dated: 17th February, 2011

# 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:

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

## 2. Board of Directors ('Board'):

### *Composition of the Board*

The Board consists of eight (8) members with three (3) Executive Directors and five (5) Non-Executive Directors comprising of experts from various fields/professions. The Chairman of the Board is a Non-Executive Director. 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 7 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 approves the financial results.

There were five (5) Board Meetings held during the financial year ended 31st December, 2010, namely on 17th March, 2010, 29th April, 2010, 23rd July, 2010, 22nd October, 2010 and 14th December, 2010 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, 2010:

Sr. No.	Name of the Director	Director Identification No.	Category*	Designation	Board Meetings attended	Attendance at the last AGM	No. of Directorship in other Boards [excluding Thomas Cook (India) Limited] #		No. of Chairmanship / Membership in other Board Committees [including Thomas Cook (India) Limited] ##	
							Public	Private	Chairmanship	Membership, includes chairmanship
1.	Mr. Dilip De\$	00004231	I & NED	Director	—	No	—	—	—	—
2.	Mr. Heinrich-Ludger Heuberg\$	02581163	NED	Chairman	2	Yes	—	—	—	—
3.	Mr. Hoshang S. Billimoria	00005003	I & NED	Director	5	Yes	2	1	3	3
4.	Mr. Anant Vishnu Rajwade	00007232	I & NED	Director	5	No	4	2	2	4
5.	Mr. Ramesh Savoor**	00149089	I & NED	Director	4	Yes	5	3	4	8
6.	Mr. Mahendra Kumar Sharma**	00327684	NED	Chairman	5	Yes	5	—	2	5
7.	Mr. Krishnan Ramachandran**	00193357	I & NED	Director	5	Yes	1	1	—	1
8.	Mr. Madhavan Menon	00008542	MD	Managing Director	5	Yes	4	1	—	1
9.	Mr. Vinayak K. Purohit@	00185052	ED	ED – Finance	5	Yes	4	—	—	1
10.	Mr. Rakshit Desai@@	02435721	ED	ED – Travel Services	5	Yes	4	—	—	1

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

\$ Mr. Dilip De ceased to be Director w.e.f. 25th January, 2010 and Mr. Heinrich-Ludger Heuberg ceased to be the Chairman w.e.f. 30th June, 2010

\*\* Mr. Ramesh Savoor, Mr. Mahendra Kumar Sharma and Mr. Krishnan Ramachandran were regularised as Directors w.e.f. 12th May, 2010; Mr. Mahendra Kumar Sharma, Director, was appointed as Chairman of Company with effect from 14th December, 2010

@ Mr. Vinayak K. Purohit, was re-appointed as ED- Finance w.e.f. 14th May, 2010 to 13th May, 2013, which was approved at the Annual General Meeting held on 12th May, 2010

@@ Mr. Rakshit Desai, was re-appointed as ED- Travel Services w.e.f. 25th November, 2010 to 24th November, 2011

# In Indian Companies, excluding Section 25 Companies

## In Audit Committee and Share Transfer & Shareholders' / Investors' Grievance Committee of Indian public limited 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. Mahendra Kumar Sharma, Mr. Ramesh Savoor and Mr. Krishnan Ramachandran retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

Further, Mr. Rakshit Desai, Executive Director - Travel Services was re-appointed as Executive Director - Travel Services for a further period of one (1) year effective from 25th November, 2010 to 24th November, 2011.

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

**1. Mr. Mahendra Kumar Sharma**

Mr. Mahendra Kumar Sharma, 63, retired as the Vice-Chairman of Hindustan Lever Limited in May, 2007.

He holds Bachelor's Degree in Arts as well as Law.

He joined Hindustan Lever Limited in 1974 as Legal Manager and worked in various areas including taxation, shares and legal. He was inducted into the Board of Hindustan Lever Limited in August 1995 and was the Vice Chairman from April, 2000 till May, 2007.

Mr. Sharma currently holds the position of a director in several public and private limited companies as well as Member/ Chairman of various Committees of these companies.

Mr. Sharma joined the Company Board with effect from 29th May, 2009 and has been appointed as the Non-Executive Chairman of the Company w.e.f. 14th December, 2010 and does not hold any shares in the Company. As on 31st December, 2010, his Directorships and Committee Memberships of companies in India [including Thomas Cook (India) Limited] are as follows:

Name of Body Corporate/ Firm	Position (Whether as Director/ Managing Director/ Chairman)	Name of Committee	Position (Whether as Member/ Chairman)
ICICI Lombard General Insurance Co. Limited	Director	Governance & Nomination Committee	Member
ICICI Bank Limited	Director	Audit Committee	Member
		Governance & Nomination Committee	Chairman
		Investor Grievance Committee	Chairman
Fulford (India) Limited	Director	Audit Committee	Chairman
Schrader Duncan Limited	Director	—	—
Birla Corporation Limited	Director	—	—
Thomas Cook (India) Limited	Director	Audit Committee	Member
		Share Transfer & Shareholders'/Investors' Grievance Committee	Member

**2. Mr. Krishnan Ramachandran**

An Engineer from BITS Pilani, with a Post-graduate degree in Business Management from the Indian Institute of Management Calcutta, Mr. Krishnan Ramachandran started his career with the Tata Administrative Service (TAS). The major part of Mr. Ramachandran's career has been with two Companies: Philips Electronics, and Voltas, a Tata Group Company, and his experience has been across a wide range of assignments cutting across functions and industries. He is currently engaged with the Aditya Birla Group as Advisor to the Chairman for the Group's Higher Education Project in which assignment he is working with the BITS Pilani leadership to plan and implement a 3-year strategy to raise the Institute's excellence to the next level. Mr. Ramachandran is also an Independent Director on the Boards of Thomas Cook India and Infotech Enterprises.

His 17 years with the Tata Group company Voltas were in technology intensive businesses in the power electrical industry, and spanned manufacturing, marketing, sales and project management before he headed the Electrical Business Group as Business Head and General Manager (Operations).

Mr. Ramachandran accepted Philips' invitation in 1993 to head its Human Resource function for India. Five years later he was appointed the first Indian Vice Chairman & Managing Director for Philips Electronics' Indian operations, and was given additional responsibility in 2006 as CEO for the Indian Subcontinent.

In his role as HR Director at Philips, Mr. Ramachandran was instrumental in successfully addressing a number of legacy people practices, and installing a strong performance culture and performance-driven people policies and practices. As CEO and a member of the Global Philips apex Leadership Group, he played a major role in renewing the Group's focus on Emerging Markets and in laying the foundation for building sustainable new business models relevant for emerging markets.

People, Business Excellence, Transformation, and Innovation best capture Mr. Ramachandran's learning and contributions and these have become his professional interests. A Past-President of the Bombay Chamber of Commerce and Industry (BCCI), and an Independent Director on the Boards of Thomas Cook India and Infotech Enterprises, he currently advises and works with the leadership teams of several companies in these areas in addition to his engagement with BITS, Pilani.

Mr. Ramachandran joined the Company Board with effect from 29th May, 2009 and does not hold any shares in the Company. As on 31st December, 2010, his Directorships and Committee Memberships of companies in India [including Thomas Cook (India) Limited] are as follows:

Name of Body Corporate/ Firm	Position (Whether as Director/ Managing Director/ Chairman)	Name of Committee	Position (Whether as Member/ Chairman)
Cerebrus Consultants Pvt. Limited	Director	—	—
Infotech Enterprises Limited	Director	Audit Committee	Member
		Compensation/ Nominations Committee	Member
		Strategy Committee	Member
Thomas Cook (India) Limited	Director	Recruitment & Remuneration Committee	Member

### 3. Mr. Ramesh Savor

Mr. Ramesh Savor has spent 34 years with Castrol India Limited, 12 of these, as Chief Executive and Managing Director.

Mr. Savor has worked in various capacities in the Company, starting off as a Management Trainee and working his way up to reach the top as its Managing Director. Under his leadership Castrol India grew from being a minor oil company to becoming the Number 2 lubricant company in India and the second largest Castrol Company worldwide. Two years before retirement, BP took over Burmah Castrol worldwide, and in the new combined operations, Mr. Savor was made business unit leader for India / Middle East and Africa, apart from being the MD for Castrol in India. As a business unit leader, he was on the board of Castrol International.

Mr. Savor has gone through the gamut of all corporate functions like, Sales, Marketing, R & D, Production Projects, supply chain & H R, either as in charge of the function or as CEO.

Mr. Savor currently holds the position of a director in several public and private limited companies as well as Member/ Chairman of various Committees of these companies. Mr. Savor is also on the board of Governors of IIM Bangalore for the last six years.

Mr. Savor was born in Madras on 24th April, 1944. He did his graduation from Ruia College Mumbai, with Chemistry as the principal subject. He proceeded to complete his B.Sc. Tech. from UDCT in Oils Fats & Waxes., in the year 1968. He has also completed a four week Senior Executive Programme at the London Business School.

Mr. Savor joined the Company Board with effect from 29th May, 2009 and does not hold any shares in the Company. As on 31st December, 2010, his Directorships and Committee Memberships of companies in India [including Thomas Cook (India) Limited] are as follows:



Name of Body Corporate/ Firm	Position (Whether as Director/ Managing Director/ Chairman)	Name of Committee	Position (Whether as Member/ Chairman)
E.I.D. Parry India Limited	Director	Audit Committee	Chairman
		Remuneration & Nomination Committee	Chairman
Coromandel International Limited	Director	Remuneration & Nomination Committee	Member
Foseco India Limited	Chairman	Audit Committee	Member
		Remuneration & Nomination Committee	Chairman
		Shareholder Grievance Committee	Chairman
Automotive Stampings & Assemblies Limited	Director	Audit Committee	Chairman
		Remuneration Committee	Member
		Shareholder Grievance Committee	Member
FIL Fund Management Pvt. Limited	Director	—	—
Divgi Warner India Pvt. Limited	Director	—	—
Tata Auto Comp Systems Limited	Director	Audit Committee	Member
		Investor Grievance Committee	Chairman
Parry Infrastructure Pvt. Limited	Director	Remuneration Committee	Member
Thomas Cook (India) Limited	Director	Audit Committee	Member
		Recruitment & Remuneration Committee	Member

#### 4. Mr. Rakshit Desai

Mr. Rakshit Desai, aged 35, was appointed as Executive Director – Travel Services with effect from 25th November, 2008.

He joined the Thomas Cook Group in 2003 and had 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 off shoring of the UK back office; leading the operations of thomascok.com; M & A in Financial Services; and subsequently membership of the UK Executive Board overseeing strategic planning, post-merger integration and general business transformation. Prior to joining the Thomas Cook Group, he was with Roland Berger Strategy Consultants, London where he specialised in strategic and transformational issues for major multinational corporations.

He has a Bachelor's degree in Commerce from Sydenham College, Mumbai; an MBA from Griffith University, Australia and an M.Sc. from the The London School of Economics, UK.

Mr. Rakshit Desai was re-appointed as Executive Director - Travel Services, for a further period of one (1) year w.e.f. 25th November, 2010 to 24th November, 2011 and he does not hold any shares in the Company. As on 31st December, 2010, his Directorships and Committee Memberships of companies in India [including Thomas Cook (India) Limited] are as follows:

Name of Body Corporate/ Firm	Position (Whether as Director/ Managing Director/ Chairman)	Name of Committee	Position (Whether as Member/ Chairman)
Travel Corporation (India) Limited	Director	Sub-Committee	Member
Thomas Cook Insurance Services (India) Limited	Director	—	—
Thomas Cook Tours Limited	Director	—	—
Indian Horizon Travel & Tours Limited	Director	—	—
Thomas Cook (India) Limited	Executive Director – Travel Services	Share Transfer & Shareholders' / Investors' Grievance Committee	Member
		Sub-Committee	Member

#### 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. The present composition of the Audit Committee is in accordance with the provisions of the Companies Act, 1956 and the Listing Agreements with the Stock Exchanges. It consists of four (4) Non-Executive Directors of whom three (3) are Independent as on 31st December, 2010.

The Audit Committee also invites at its meetings, senior executives/ management including the person in charge of the Business Process Improvement and Audit function 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
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board

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 possesses accounting or related financial management expertise and attends the Annual General Meeting of the Company.

Composition and attendance during the financial year ended 31st December, 2010:

The Committee met four (4) times during the year under review. The said meetings were held on 17th March, 2010, 29th April, 2010, 23rd July, 2010, and 22nd October, 2010 respectively.

Sr. No.	Name of Director	Designation	Category *	No. of meetings attended
1.	Mr. Hoshang S. Billimoria **	Chairman	I & NED	4
2.	Mr. Heinrich-Ludger Heuberg \$	Member	NED	2
3.	Mr. Anant Vishnu Rajwade	Member	I & NED	4
4.	Mr. Ramesh Savoor	Member	I & NED	3
5.	Mr. Mahendra Kumar Sharma	Member	NED	4
6.	Mr. Dilip De @	Member	I & NED	–
7.	Mr. Madhavan Menon	Managing Director	Invitee	N. A.
8.	Mr. Vinayak K. Purohit	Executive Director – Finance	Invitee	N.A.
9.	Mr. Rakshit Desai	Executive Director – Travel Services	Invitee	N. A.

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

\*\* Mr. Hoshang S. Billimoria was present at the previous Annual General Meeting held on 12th May, 2010 in terms of Clause 49(II) of the Listing Agreement

\$ Mr. Heinrich-Ludger Heuberg, ceased to be Director w.e.f. 30th June, 2010

@ Mr. Dilip De ceased to be Director w.e.f. 25th January, 2010

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

The Recruitment and Remuneration Committee was formed in August, 1995 consisting of two (2) Non-Executive Directors and two (2) Executive Directors.

As per amended guidelines of the law, the Committee as on 31st December, 2010 comprises of three (3) Non-Executive and Independent Directors.

**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 and Performance Criteria

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

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

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 and 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 pays sitting fees at the rate of ₹ 20,000/- per meeting to the Non-Executive Directors for attending the meetings of the Board and Audit Committee and ₹ 10,000/- per meeting for Share Transfer and Shareholders' / Investors' Grievance Committee and Recruitment and Remuneration Committee constituted by the Board.

### Composition and attendance during the year ended 31st December, 2010:

The Committee met three (3) times during the year under review. The meeting was held on 17th March, 2010, 7th September, 2010 and 22nd October, 2010 respectively.

Sr. No.	Name of the Director	Designation	Category*	No. of meetings attended
1.	Mr. Anant Vishnu Rajwade	Chairman	I & NED	3
2.	Mr. Heinrich-Ludger Heuberg**	Member	NED	1
3.	Mr. Krishnan Ramachandran	Member	I & NED	3
4.	Mr. Ramesh Savoor	Member	I & NED	2

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

\*\* Mr. Heinrich-Ludger Heuberg ceased to be Director w.e.f. 30th June, 2010

### Details of Remuneration to the Directors for the financial year ended 31st December, 2010

#### Executive Directors

Name of Director	Salary (₹)	Benefits (₹)	Bonus/ Commission (₹)	Sitting Fees (₹)	Pension (₹)	Total (₹)	Stock Options granted & accepted during the year
Mr. Madhavan Menon	6,248,814	10,629,891	0	0	0	16,878,705	16,243
Mr. Vinayak K. Purohit	4,680,116	10,592,165	0	0	0	15,272,281	16,243
Mr. Rakshit Desai	8,977,423	16,223,762	0	0	0	25,201,185	16,243
<b>Sub-Total (a)</b>	<b>19,906,353</b>	<b>37,445,818</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>57,352,171</b>	<b>48,729</b>

**Non-Executive Directors**

Name of Director	Salary (₹)	Benefits (₹)	Bonus/ Commission (₹)	Sitting Fees (₹)	Pension (₹)	Total (₹)	Stock Options granted & accepted during the year
Mr. Hoshang S. Billimoria	0	0	1,040,181	410,000	0	1,450,181	-
Mr. Anant Vishnu Rajwade	0	0	1,040,181	430,000	0	1,470,181	-
Mr. Dilip De	0	0	71,245	0	0	71,245	-
Mr. Ramesh Savoor	0	0	1,040,181	160,000	0	1,200,181	-
Mr. Mahendra Kumar Sharma	0	0	1,040,181	410,000	0	1,450,181	-
Mr. Krishnan Ramachandran	0	0	1,040,181	130,000	0	1,170,181	-
<b>Sub – Total (b)</b>	<b>0</b>	<b>0</b>	<b>5,272,149</b>	<b>1,540,000</b>	<b>0</b>	<b>6,812,149</b>	<b>-</b>
<b>Total (₹) (a+b)</b>	<b>19,906,353</b>	<b>37,445,818</b>	<b>5,272,149</b>	<b>1,540,000</b>	<b>0</b>	<b>64,164,320</b>	<b>48,729</b>

- With effect from May 2005, Commission to the Executive Directors was paid on the Return on Equity (ROE) formula.
- None of the Directors are related to each other in any manner.
- None of the Directors hold any shares in the Company as on 31st December, 2010 other than Mr. Madhavan Menon. He held 2000 equity shares as on that date.
- Apart from the above, there are no other pecuniary relationships or transactions by the Non-Executive Directors with the Company.

**Details of fixed component and performance linked incentives paid for the financial year ended 31st December, 2010:**

Name of Director	Salary	
	Fixed (₹)	Performance Linked Incentives (₹)
Mr. Madhavan Menon	16,878,705	–
Mr. Vinayak K. Purohit	15,272,281	–
Mr. Rakshit Desai	25,201,185	–
<b>Total</b>	<b>57,352,171</b>	<b>–</b>

**Details of Service Contracts, Notice Period, etc. of all the Directors for the financial year ended 31st December, 2010**

Sr. No.	Name of Director	Contract Period (Tenure)	Service Contract	Notice Period	Severance fees, if any
1.	Mr. Madhavan Menon	1st May, 2009 to 30th April, 2012	Yes	12 months	As decided by the management
2.	Mr. Vinayak K. Purohit	14th May, 2007 to 13th May, 2010	Yes	3 months	As decided by the management
		14th May, 2010 to 13th May, 2013	Yes	3 months	As decided by the management
3.	Mr. Rakshit Desai	25th November, 2008 to 24th November, 2010	Yes	3 months	As decided by the management
		25th November, 2010 to 24th November, 2011	Yes *	3 months	As decided by the management
4.	Non-Executive Directors	None. The Non-Executive Directors liable to retire by rotation, get re-appointed as per the Articles of Association of the Company and the Companies Act, 1956	No	None	None

\* The Service Agreement for Mr. Rakshit Desai was entered into on 11th February, 2011

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

Note: None of the Non-Executive Directors were issued/ granted employee stock options under the Thomas Cook Employee Stock Option Plan 2007 (ESOP Scheme 2007) or the Thomas Cook Save As You Earn Scheme 2010 (SAYE Scheme 2010) as on 31st December, 2010.

Name of the Director	Thomas Cook Employee Stock Option Plan 2007 (ESOP Scheme 2007)								SAYE Scheme 2010	
	Grant in 2007		Grant in 2008		Grant in 2009		Grant in 2010		Options accepted *	Discount %
	Options accepted	Discount %	Options accepted	Discount %	Options accepted	Discount %	Options accepted	Discount %		
Mr. Madhavan Menon	205000	5%	250500	5%	—	NA	—	NA	16243	10%
Mr. Vinayak K. Purohit	162500	5%	185000	5%	—	NA	—	NA	16243	10%
Mr. Rakshit Desai	—	NA	—	NA	—	NA	—	NA	16243	10%

**Period of accrual:** In case of ESOP Scheme 2007, 1/3rd of the options granted, vest every year, over three (3) years; in case of SAYE Scheme, the vesting would occur at the end of thirty six (36) monthly contributions.

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

\* The figures of options mentioned in this column may change if the interest rate changes at the time of the first deduction from the salary as per the terms of the SAYE Scheme 2010.

### (iii) Share Transfer & Shareholders' / Investors' Grievance Committee:

#### Terms of Reference

The Share Transfer Committee was formed in 1996 consisting of three (3) Executive Directors and three (3) 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, 2010 comprises of six (6) Directors, of whom three (3) are Non-Executive Directors and three (3) are Executive Directors, the Chairman being a Non-Executive Director.

#### Composition of the Committee and attendance during the financial year ended 31st December, 2010:

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. Hoshang S. Billimoria	Chairman	I & NED	23
2.	Mr. Anant Vishnu Rajwade	Member	I & NED	22
3.	Mr. Mahendra Kumar Sharma	Member	NED	23
4.	Mr. Madhavan Menon	Member	ED	13
5.	Mr. Vinayak K. Purohit	Member	ED	15
6.	Mr. Rakshit Desai	Member	ED	11

\* ED – Executive Director

NED – Non-Executive Director

I – Independent Director

#### Name and Designation of Compliance Officer:

Mr. R. R. Kenkare, President & Head - Legal & 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 Received	Total Replied	Pending Queries (Days)			
				1-7	8-15	16-22	> 22
(1)	Inquiry pertaining to non-receipt of shares sent for transfer	0	0	0	0	0	0
(2)	Letters received from SEBI and other Statutory Bodies	0	0	0	0	0	0
(3)	Reply sent giving warrant details (Reconciliation in process)	7	7	0	0	0	0



**II. Other Correspondence**

Sr. No.	Nature of Complaint/ Query	Total Received	Total Replied	Pending Queries (Days)			
				1-7	8-15	16-22	> 22
(1)	Non-Receipt/ Requests of Interest/ Dividend warrants	382	372	10	0	0	0
	(A) Warrant already paid	1	1	0	0	0	0
	(B) Requests pertaining to outdated, duplicate warrants and changes on live warrants	380	370	10	0	0	0
	(C) Miscellaneous queries in connection with payments	1	1	0	0	0	0
(2)	Dematerialisation of securities	5	5	0	0	0	0
(3)	Name correction	2	2	0	0	0	0
(4)	Change of address requests	34	34	0	0	0	0
(5)	ECS/ Mandate requests	18	18	0	0	0	0
(6)	Loss of securities	31	29	2	0	0	0
(7)	Split/ Consolidation/ Renewal/ Duplicate issue of securities	0	0	0	0	0	0
(8)	Nomination requests	6	6	0	0	0	0
(9)	Tax/ exemption form/ pan related	0	0	0	0	0	0
(10)	Transmission of Securities	5	5	0	0	0	0
(11)	Exchange/ Sub-division of old shares	9	9	0	0	0	0
(12)	Dividend/ interest queries	81	80	1	0	0	0
(13)	Document registration	14	14	0	0	0	0
(14)	Bonus issue	1	1	0	0	0	0
(15)	Redemption	1	1	0	0	0	0
(16)	Others (Miscellaneous)	76	75	1	0	0	0
	<b>Total (I +II)</b>	<b>672</b>	<b>658</b>	<b>14</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, 2010, comprises of three (3) Executive Directors.

**Composition and Attendance**

The Sub-Committee meets as and when required. During the year, the following members of the Committee met fourteen (14) 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	12
2.	Mr. Vinayak K. Purohit	Member	ED	12
3.	Mr. Rakshit Desai	Member	ED	13

\* ED – Executive Director

**4. Management Committees:****(i) Group Leadership Team:**

A Group Leadership Team, (the Key or Senior Managerial Personnel), was formed in 2007 consisting of the Managing Director, Executive Directors and the 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 person in charge of the Business Process Improvement and Audit function acts as Rapporteur for this Committee. The Group Leadership Team members are the other members of the Committee. It meets monthly 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. Other Qualitative Information:****(i) Contribution to Society:**

- The Company has set up a foundation – “Thomas Cook Cares ....” – which will focus on activities related to women empowerment, education, health, environment and wildlife, arts and crafts. This foundation will be registered with the Charity Commissioner’s Office.

The Company will set aside Rupees One Million (₹ 1,000,000/-) every year for social activities to be undertaken by this foundation. Five of the employees have been nominated as Trustees for this foundation. In the six months since its formation, the foundation has undertaken the following activities:

1. Registration of Thomas Cook (India) Limited with TOFT – Travel Operator for the Tiger. Under this the Company will promote eco-friendly tourism especially at our nature reserves across the country.
  2. The Company has partnered with Goonj, an NGO which works in the area of waste recycling.
  3. In association with Cancer Patients Aid Association (CPAA), the foundation has organised a cancer detection camp for more than 100 women of the Kamathipura area in Mumbai.
  4. The Company sponsored an outing for 40 children of an orphanage in Delhi.
  5. The Company promotes empowerment of destitute women and handicapped children by awarding them catering contracts for its meetings and staff events.
- The Company continues to support 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 continues to donate 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 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.
  - 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 encourages various “activities” for the underprivileged / handicapped children. It invited the visually impaired children of the Happy Home & School for the Blind to sing Christmas carols at its premises in Mumbai.
  - Thomas Cook employees continue to contribute to ‘GiveIndia’s Payroll Giving Program’ across the Indian network as a small way for employees to give back to society. Over 250 employees have enrolled for this program and contribute a part of their salary each month towards it.

Give India is a not-for-profit organization dedicated to helping the public donate to credible, transparent NGOs.

- The Centre of Learning, COL, an initiative of the Company to develop talent for the organization as well as for the industry, has expanded its reach and has been conducting several prestigious programmes which has helped in creating talent pool for the industry at large.

*Certificate Course in World Tour Management, (CCWTM)*, a three month part time programme, which enables the participant to join the Company (TCIL)/ other travel companies as Tour Managers, has been very well received in the industry. In the year 2010, 22 participants, enrolled in this programme. 75-80% of the participants were offered jobs by the Company itself. The remaining 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.

*IATA Certification in Travel & Tourism* – the Company has forayed into training students / industry personnel towards obtaining the IATA Certification in Travel & Tourism Management.

The major industry client is Wipro. 2 batches totaling 50 participants are being trained towards obtaining the IATA Certification

*Training on Various Destinations* – The Centre of Learning has tied up with the Fiji Tourism Board, represented by M/s. Global Destinations, to train 600 travel agents on Destination Fiji. This is the first step towards upgrading knowledge of various tourist destinations to industry agents.

The Centre of Learning has announced a strategic MoU with *Indian Institute of Tourism & Travel Management (IITTM)* an autonomous organisation of the Ministry of Tourism, Government of India, to offer a 2 year Post Graduate Diploma in Management (PGDM) IN International Tourism Business approved by AICTE and equivalent to MBA is being launched. A premium product, the course work includes case based learning and exposure to international business environment. Thomas Cook (India) Limited will facilitate practical exposure and training.

*Avalon – The Diploma in Travel & Tourism* launched by Thomas Cook (India) Limited in partnership with Avalon Aviation Academy, a subsidiary of Aptech Limited Continues to cater to the increasing frontline demand in the Travel Industry. In the year 2010, 50 participants, enrolled in the programme.

## (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.

- (a) The Policy on Prevention of Insider Trading is based on the model Policy devised by SEBI (Securities and Exchange Board of India) under SEBI (Prevention of Insider Trading) Regulations, 1992 as amended for all the Designated Persons of the Company.
- (b) The Policy on Ethics and Integrity puts down in detail the ethical values for each and every employee of the organisation.
- (c) The Whistle-Blower Policy has been laid down with an objective to create an environment wherein an employee has easy access to raising a concern and his identity is also protected.
- (d) The Fraud and Theft Policy of the Company states that, if an employee believes that a fraud or theft or false accounting has occurred or is likely to occur, he/she needs to immediately inform his or her line manager irrespective of the value of theft or fraud involved. Each line manager who is informed of such an incident or event must immediately inform in writing to his/her Reporting Manager, the President & Head – Legal & Company Secretary and to the Head – BPIA.
- (e) The Information Systems Security Policy provides lays down framework and guidelines governing the usage of Information Technology in the organisation. Significant changes taking place in the Information Systems and/or Technology that would affect the security and control perspective favourably/ adversely and on any significant breaches of the security/ security policy are monitored under this Policy. A Committee (Information Systems Security Committee) has overall responsibility for all areas concerning IT security.
- (f) The Anti Money Laundering Policy lays down internal control procedures to ensure that the compliances of all rules and regulations including business processes are met. The Company has also adopted the system of Concurrent Audit for its branches in the foreign exchange business with effect from October 2003 as per the requirements of Reserve Bank of India.
- (g) Code of Conduct has been formulated for the Board of Directors and Senior Management of the Company to enhance the standards of ethical conduct and uphold these standards in day-to-day activities, to further achieve good corporate governance and to implement highest degree of transparency, integrity, accountability and corporate social responsibility in all its dealings. The Code is also put up on the Company's website: [www.thomascook.in](http://www.thomascook.in). 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.

## 6. Subsidiary Companies

There is no material non-listed Indian subsidiary company of Thomas Cook (India) Limited for the year ended 31st December, 2010. Notwithstanding this, Mr. H. S. Billimoria, Independent Director of the Company, is an Independent Director on the Board of Travel Corporation (India) Limited, a wholly-owned subsidiary of the Company. 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.

## 7. 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	27th June, 2008	3.30 p.m.
Y. B. Chavan Auditorium Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	28th May, 2009	3.30 p.m.
Y. B. Chavan Auditorium Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	12th May, 2010	3.30 p.m.

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

1. 31st AGM held on 27th June, 2008: Altering the Articles of Association of the Company pursuant to Section 31 of the Companies Act, 1956.
2. 32nd AGM held on 28th May, 2009: Approving the payment of Commission to Directors of the Company.
3. 33rd AGM held on 12th May, 2010: Minimum Remuneration and Waiver of Excess Remuneration paid for 2009 and Revision in terms of Remuneration of Mr. Madhavan Menon, Managing Director; Minimum Remuneration and Waiver of Excess Remuneration paid for 2009, Revision in terms of Remuneration and Re-appointment of Mr. Vinayak K. Purohit, Executive Director – Finance; Revision in terms of Remuneration of Mr. Rakshit Desai, Executive Director – Travel Services; Payment of Commission to Non- Executive Directors of the Company; Variation of the Thomas Cook Employees Stock Option Plan 2007; Extension of the amended Thomas Cook Employees Stock Option Plan 2007 to the employees of subsidiaries.

### Resolutions put through postal ballot during the last year and details of voting pattern:

For the financial year ended 31st December, 2010, the following special resolutions were passed by the Company's Shareholders through Postal Ballot:

Postal Ballot Notice dated 22nd October, 2010 in respect of the following matters:

1. **Special Resolution:** For approval of Thomas Cook Save As You Earn Scheme 2010 ("SAYE Scheme") and issue of Employee Stock Options under the SAYE Scheme to the employees of Thomas Cook (India) Limited.
2. **Special Resolution:** For approval of Thomas Cook Save As You Earn Scheme 2010 ("SAYE Scheme") and issue of Employee Stock Options under the SAYE Scheme to the employees of subsidiaries of Thomas Cook (India) Limited.
3. **Special Resolution:** For variation/ revision in terms of appointment of Mr. Madhavan Menon, Managing Director of the Company for the residual period of his tenure.

Mr. P. N. Parikh of M/s. Parikh & Associates, Company Secretary in whole-time practice, Scrutinizer appointed by the Board has submitted his report. Accordingly, the following result of the postal ballot was declared on 14th December, 2010:

Particulars	1. Special Resolution for SAYE Scheme to the employees of Thomas Cook (India) Limited.			2. Special Resolution for SAYE Scheme to the employees of subsidiaries of Thomas Cook (India) Limited.			3. Special Resolution for variation/ revision in terms of appointment of Mr. Madhavan Menon, Managing Director of the Company for the residual period of his tenure.		
	No. of ballots	No. of shares	Percent	No. of ballots	No. of shares	Percent	No. of ballots	No. of shares	Percent
<b>Total Received</b>	1185	167416798		1185	167416713		1185	167419139	
<b>Less: Invalid</b>	166	139433		197	154178		196	154243	
<b>Valid</b>	1019	167277365		988	167262535		989	167264896	
<b>- Assent</b>	932	167090954	99.89	884	167069813	99.88	917	167138625	99.92
<b>- Dissent</b>	87	186411	0.11	104	192722	0.12	72	126271	0.08

#### 8. 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's accounting policies are in line with generally accepted practices in India and these policies have been consistently adopted & applied and there is no change in these policies during the year.
- iv) The Company has formulated a Policy on Ethics and Integrity, which is binding on all the employees of the Company.
- v) The Company has fulfilled the following Non-Mandatory requirements as prescribed in Annexure I-D to the Clause 49 of the Listing Agreements with the Stock Exchanges:
  - a) The Company has set up a Remuneration Committee (called the Recruitment & Remuneration Committee), details of which have been given earlier in this report.
  - b) The Committee comprises wholly of Non-Executive Directors with majority of them being Independent and the Chairman also being an Independent Director.
- vi) Whistleblower Policy: The Company has established a Whistleblower Policy for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. This policy also provides for adequate safeguards against victimization of employees who avail of the mechanism and provides for direct access to the Ombudsperson under the Code. No personnel has been denied access to the Audit Committee.
- vii) Pursuant to Clause 5A of the Listing Agreement, the Company is in the process of sending reminder letters to those shareholders whose shares are remaining unclaimed and lying with the Company / Registrars and Share Transfer Agents.

#### 9. 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/ forty-five days 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 / sixty days of the end of the quarter. The approved results are forthwith sent to BSE and 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 / sixty days 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) and 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 52 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.corpfilings.co.in](http://www.corpfilings.co.in) in the prescribed manner. However, since the Company is not mandatorily required to provide the same to the special website, it provides only certain data to the said website.
- All the official news releases and presentations on significant developments in the Company are hosted on Company's website and provided to the Stock Exchanges and the press simultaneously.
- The Management Discussion and Analysis Report forms part of the Corporate Governance Report and is attached.

**10. General Shareholder information:**

<b>Annual General Meeting</b>	:	34th Annual General Meeting
<b>Date</b>	:	Thursday, 5th May, 2011
<b>Time</b>	:	3.30 p.m.
<b>Venue</b>	:	Y. B. Chavan Auditorium Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021
<b>Financial Year</b>	:	1st January, 2010 to 31st December, 2010
<b>Book Closure</b>	:	Thursday, 28th April, 2011 to Thursday, 5th May, 2011 (both days inclusive)
<b>Dividend payment date</b>	:	Thursday, 19th May, 2011
<b>Listing on Stock Exchanges</b>	:	
<b>A. Equity Shares of ₹ 1/- each</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>B. Class 'B' 0.001% Cumulative Optionally Convertible/ Fully Redeemable Preference Shares of ₹ 10/- each</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 - Electronic Form No. 700119 Scrip Id – THOMASPSB  National Stock Exchange of India Limited Symbol – THOMASCOOK Series – P2 Scrip Name – THOMASCOOK
<b>ISIN</b>	:	INE332A03015
<b>C. Class 'C' 0.001% Cumulative Optionally Convertible/ Fully Redeemable Preference Shares of ₹ 10/- each</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 - Electronic Form No. 700120 Scrip Id – THOMASPSC  National Stock Exchange of India Limited Symbol – THOMASCOOK Series – P3 Scrip Name – THOMASCOOK
<b>ISIN</b>	:	INE332A03023

The listing fee for the period 1st April, 2010 to 31st March, 2011 has been paid to the Stock Exchanges where the shares of the Company are listed in respect of all classes of shares.

**Market Price Data** : High, Low and Volume (in equity shares) during each month for the financial year ended on 31st December, 2010

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

Sr. No.	Month	High (₹)	Low (₹)	Volume (Shares)
1.	January 2010	78.50	63.05	5637385
2.	February 2010	71.50	60.30	1305015
3.	March 2010	69.35	60.05	1308719
4.	April 2010	72.90	62.05	4714249
5.	May 2010	69.50	56.35	1628727
6.	June 2010	64.25	57.05	2546233
7.	July 2010	70.95	60.70	3971212
8.	August 2010	76.80	60.75	58154972
9.	September 2010	77.75	64.85	15484777
10.	October 2010	74.20	65.85	7156398
11.	November 2010	71.75	56.00	5091354
12.	December 2010	64.40	52.05	2419316

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

Sr. No.	Month	High (₹)	Low (₹)	Volume (Shares)
1.	January 2010	78.65	63.60	10618624
2.	February 2010	71.95	60.95	2889488
3.	March 2010	69.35	60.35	2323375
4.	April 2010	72.85	61.50	9928954
5.	May 2010	69.30	56.35	3852600
6.	June 2010	64.25	57.10	4230023
7.	July 2010	70.45	60.05	6167817
8.	August 2010	77.30	61.85	70724223
9.	September 2010	78.50	64.80	28544453
10.	October 2010	74.20	65.80	13120498
11.	November 2010	71.85	56.00	8863377
12.	December 2010	63.40	51.35	4607842

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

Particulars of Issue of Capital	Date of allotment/ resolution	No. of shares	Face Value (in ₹)	Total Value (in ₹)	Cumulative Paid-up Capital (in ₹)
Subscription to Memorandum & Articles of Association	20th November, 1978	2	10	20	20
Allotment	1st March, 1979	5	10	50	70
Initial Public Offering	18th February, 1983	699993	10	6,999,930	7,000,000
Bonus Issue (1:2)	1st February, 1988	350000	10	3,500,000	10,500,000
Bonus Issue (1:2)	27th March, 1991	525000	10	5,250,000	15,750,000
Bonus Issue (1:1)	28th December, 1993	1575000	10	15,750,000	31,500,000
Bonus Issue (2:3)	11th October, 1995	2100000	10	21,000,000	52,500,000
Bonus Issue (2:3)	12th September, 1997	3500000	10	35,000,000	87,500,000
Bonus Issue (2:3)	27th July, 2000	5833333	10	58,333,330	145,833,330
Pursuant to the scheme of amalgamation of LKP Forex Limited	7th February, 2007	1494900	10	14,949,000	160,782,330
Sub-division of shares from ₹ 10/- each to ₹ 1/- each	14th May, 2007	–	1	160,782,330	160,782,330
Allotment pursuant ESOP Scheme 2007	26th August, 2008	13540	1	13,540	160,795,870
Rights Issue (35:100)	21st January, 2009	50650699	1	50,650,699	211,446,569
Allotments pursuant to ESOP Scheme 2007 (upto 31.12.2010)	Various	361130	1	361,130	211,807,699

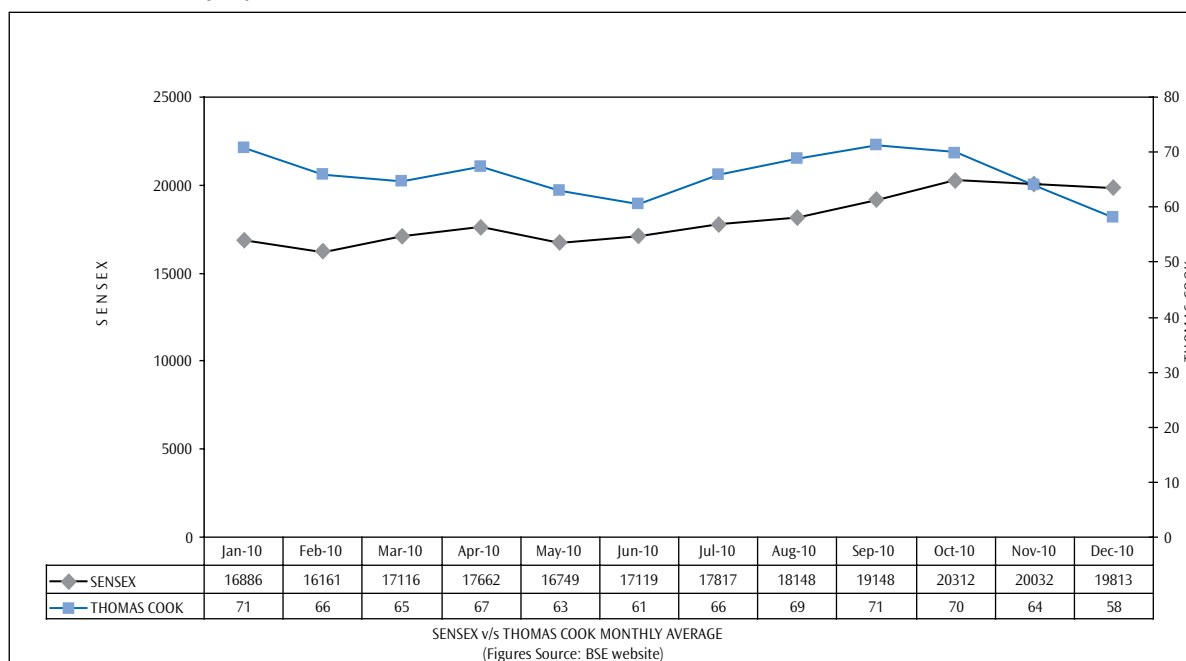
**Preference share capital history of your Company since inception:**

Class of preference shares	Date of Allotment	No. of preference shares allotted	Face Value (in ₹)
Class A 4.65% Cumulative Non Convertible Redeemable Preference Shares of ₹ 10/- each*	7th February, 2007	103,284,000	10
Class B 0.001% Cumulative Convertible/Redeemable Preference Shares of ₹ 10/- each**	7th February, 2007	319,765	10
Class C 0.001% Cumulative Convertible/Redeemable Preference Shares of ₹ 10/- each**	7th February, 2007	271,800	10
1% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10/- each***	29th January, 2008	105,000,000	10

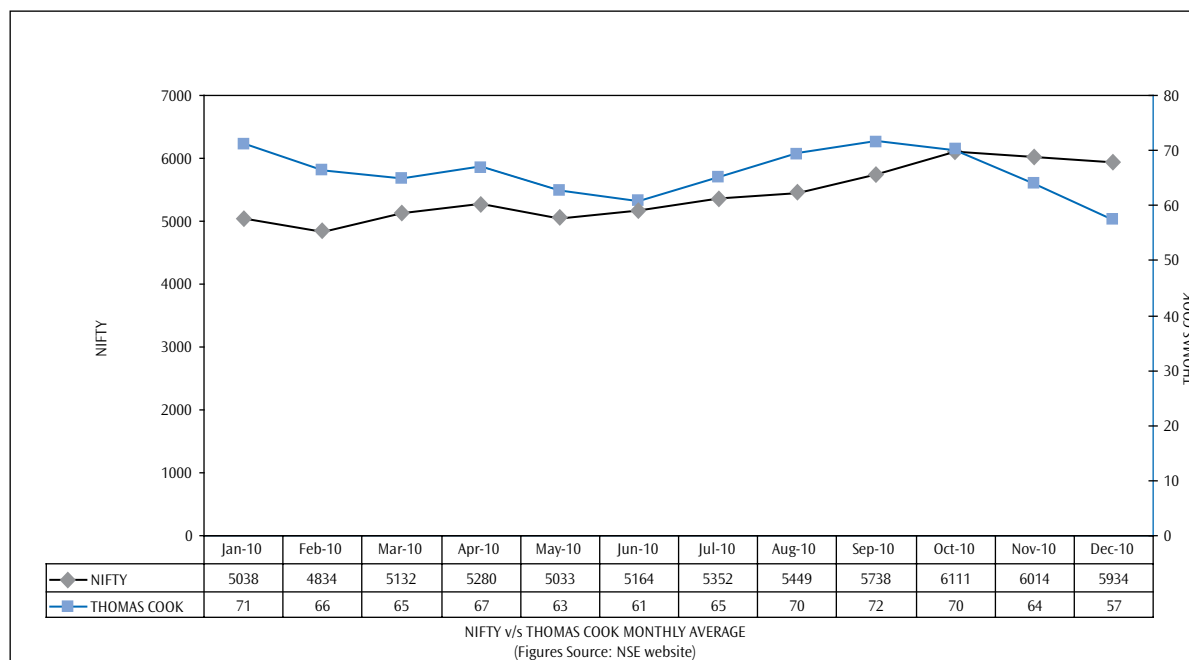
- \* As per the scheme of amalgamation, 103,284,000 Class A 4.65% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10/- each amounting to ₹ 10,328 Lacs were allotted on February 7, 2007 and were redeemed on January 30, 2008 out of the proceeds of 1% Cumulative Non Convertible Redeemable Preference Shares of ₹ 10/- each allotted on 29th January, 2008
- \*\* Presently listed on BSE and NSE
- \*\*\* 105,000,000 Class 1% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10/- each amounting to ₹ 10,500 Lacs were allotted on 29th January, 2008 and were redeemed on 29th January, 2009 out of the proceeds of the Rights Issue of Equity Shares of ₹ 1/- each allotted on 21st January, 2009

### Performance in comparison to broad-based indices such as BSE SENSEX (SENSEX), NSE S&P CNX Nifty (NIFTY)

#### Performance of the Company Share Price vis-à-vis SENSEX



#### Performance of the Company Share Price vis-à-vis NIFTY



**Registrars & Share 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)  
Web-site: [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 ₹ 188,830 being unclaimed dividend and due for payment for the financial year ended 31st October, 2002, 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, 2010):**

Range of Holding	No. of Shares	Amount (₹)	% to Capital	No. of Shareholders	% to Shareholders
1 to 5000	18396761	18396761	8.69	43947	96.59
5001 to 10000	6192200	6192200	2.92	869	1.91
10001 to 20000	6342595	6342595	2.99	504	1.11
20001 to 30000	1867649	1867649	0.88	76	0.17
30001 to 40000	1200346	1200346	0.57	35	0.08
40001 to 50000	633104	633104	0.30	14	0.03
50001 to 100000	1663396	1663396	0.79	26	0.06
Greater than 100000	175508648	175508648	82.86	26	0.06
<b>Total</b>	<b>211804699</b>	<b>211804699</b>	<b>100.00</b>	<b>45497</b>	<b>100.00</b>

**(b) Categories of Shareholders (as on 31st December, 2010):**

Sr. No.	Shares held by	No. of shares held	Percentage of Shareholding
1	Foreign Holdings		
	a. Foreign Collaborators	163471449	77.18
	b. Foreign Institutional Investors	2987733	1.41
	c. Overseas Corporate Bodies	0	0
	d. Other NRI's	628210	0.30
	<b>Total (a+b+c+d)</b>	<b>167087392</b>	<b>78.89</b>
2	Govt. / Govt. Sponsored Financial Institutions/ Nationalised Banks	10090	0.00
3	Foreign Banks	1210	0.00
4	Other Banks	250	0.00
5	Mutual funds	3347922	1.58
6	Insurance Companies	404475	0.19
7	Bodies Corporate	7852630	3.71
8	Other Directors and their Relatives	2000	0.00
9	Trusts	3100	0.00
10	Other Resident Individuals	33095630	15.63
	<b>Grand Total (1+2+3+4+5+6+7+8+9+10) :</b>	<b>211804699</b>	<b>100.00</b>

## (c) Dematerialisation of shares and liquidity:

Status of dematerialisation as on 31st December, 2010:

Particulars	No. of shares	% to Capital	No. of Accounts
National Securities Depository Limited	198668752	93.80	28871
Central Depository Securities Limited	9915544	4.68	15293
Total Dematted (A)	208584296	98.48	44164
Physical (B)	3220403	1.52	1333
<b>Total (A + B)</b>	<b>211804699</b>	<b>100.00</b>	<b>45497</b>

## (d) Top 10 Shareholders (as on 31st December, 2010)

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

Name(s) of Shareholders	Category (as per Depository)	Shares	% to Capital
Hotel Hans Private Limited	Bodies Corporate	2656770	1.25
The India Fund, Inc	Foreign Institutional Investors	2025000	0.96
Reliance Capital Trustee Co. Ltd. A/c Reliance Regular Savings Fund-Balanced Option	Mutual Funds	2000000	0.94
UTI Master Value Fund	Mutual Funds	866522	0.41
Mr. Neeraj Batra	Resident Individual	650317	0.31
Emergent India Investment Limited A/c Reliance Emergent India Fund	Foreign Institutional Investors	522800	0.25
The Oriental Insurance Company Limited	Insurance Company	404475	0.19
Deutsche Trustee Services (India) Private Limited A/c DWS Twin Advantage Fund	Mutual Funds	400000	0.19
Kalpraj Damaji Dhramshi	Resident Individual	300000	0.14
Pushpa Vadera	Resident Individual	206820	0.10
<b>Total</b>		<b>10032704</b>	<b>4.74</b>

## II. (a) Distribution of shareholding of Class 'B' Preference Shares (as on 31st December, 2010):

Range of Holding	No. of Shares	Amount (₹)	% to Capital	No. of Shareholders	% to Shareholders
1 to 5000	0	0	0.00	0	0.00
5001 to 10000	0	0	0.00	0	0.00
10001 to 20000	0	0	0.00	0	0.00
20001 to 30000	0	0	0.00	0	0.00
30001 to 40000	0	0	0.00	0	0.00
40001 to 50000	0	0	0.00	0	0.00
50001 to 100000	0	0	0.00	0	0.00
Greater than 100000	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, 2010):

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

Sr. No.	Shares held by	No. of shares held	Percentage of Shareholding
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 and 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, 2010:

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, 2010)

(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, 2010):

Range of Holding	No. of Shares	Amount (₹)	% to Capital	No. of Shareholders	% to Shareholders
1 to 5000	0	0	0.00	0	0.00
5001 to 10000	0	0	0.00	0	0.00
10001 to 20000	0	0	0.00	0	0.00
20001 to 30000	0	0	0.00	0	0.00
30001 to 40000	0	0	0.00	0	0.00
40001 to 50000	0	0	0.00	0	0.00
50001 to 100000	0	0	0.00	0	0.00
Greater than 100000	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, 2010):

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
	<b>Total</b>	<b>0</b>	<b>0.00</b>



Sr. No.	Shares held by	No. of shares held	Percentage of Shareholding
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 and 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, 2010:

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, 2010)

(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>

**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, 2010 were 319765 Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each and 271800 Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each. As per the terms of issue of these shares, the Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each can be converted into an equivalent number of Equity Shares, if the EPS of the Company exceeds ₹ 3.03 per share. Similarly, Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each can be converted into an equivalent number of Equity Shares, if the EPS of the Company exceeds ₹ 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

MADHAVAN MENON  
 Managing Director

Mumbai

VINAYAK K. PUROHIT  
 Executive Director - Finance

Dated: 17th February, 2011

## 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. A. V. Rajwade  
 Mr. M. K. Sharma  
 Mr. Ramesh Savoor  
 Mr. Heinrich-Ludger Heuberg\*

\*resigned as Director of the Company w.e.f. 30th June, 2010

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 Committee noted the issues raised by the auditors relating to strengthening of internal control systems in respect of Corporate Travel Business and relating to Accounting and Reconciliation issues in the books of accounts of Thomas Cook (Mauritius) Operations Company Limited (TCMOCL), a step-down subsidiary of the Company. The management is in the process of resolving the issue of strengthening of internal controls in respect of the Corporate Travel Business. In respect of the Accounting and Reconciliation issues in TCMOCL, the same has been resolved and corrected after an independent enquiry and investigation. Subject to the above, the internal auditors and the statutory auditors reported to the Committee that the internal controls to ensure that the accounts of the Company are properly maintained and that prevailing laws and regulations are complied have been put in place. Based on these reports, the Committee has nothing else to report.

The Committee recommended to the Board the reappointment of M/s. Lovelock & Lewes as statutory auditors of the Company for the year ended 31st December, 2011. The Committee also recommended the appointment of M/s. Lovi Mehrotra & Associates, M/s. Deloitte, Haskins & Sells and M/s. AUDITime Information Systems (I) Limited as the internal auditors along with their scope of work.

Mumbai  
 17th February, 2011

H. 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, 2010. 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. M. K. Sharma  
 Mr. Madhavan Menon  
 Mr. Vinayak K. Purohit  
 Mr. Rakshit Desai

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, 2010 comprised of 3 Non-Executive Directors and 3 Executive Directors.

The Committee also takes note of various shareholder correspondence and complaints received directly by the Company and received by the Registrar & Share Transfer Agents viz. TSR Darashaw Limited and oversees redressal of the same. During the year, the Company received correspondence as under:

No. of correspondence received	672
No. of correspondence attended to	658
No. of correspondence pending	14*

*\* pending as on 31st December, 2010. These requests were received in the last week of December 2010, and have been since attended to*

H. S. Billimoria

Chairman

Mumbai

8th February, 2011

Share Transfer & Shareholders' / Investors' Grievance Committee

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

The Sub-Committee of the Board met 14 times during the year ended 31st December, 2010. The requisite quorum was present from among the following members of the Committee.

Mr. Madhavan Menon

Mr. Vinayak K. Purohit

Mr. Rakshit Desai

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, Chairman, Mr. Vinayak K. Purohit, Member and Mr. Rakshit Desai, Member. The Sub-Committee meets once in a month or as and when required.

MR. MADHAVAN MENON

Chairman

Mumbai

9th February, 2011

Sub-Committee of the Board

## Report of The Recruitment & Remuneration Committee To The Members

The Recruitment & Remuneration Committee met thrice during the year under review ie. January to December 2010, on 17th March, 2010, 7th September, 2010 and 22nd October, 2010, and the requisite quorum was present from among the following members of the Committee:

Name of the Director	Designation
A.V. Rajwade	Chairman
Mr. Heinrich-Ludger Heuberg (until 30/06/2010)	Member
Ramesh Savoor	Member
Krishnan Ramachandran	Member

Dr. D. Prasanth Nair, President & Head - Human Resources & Special Projects, is the Rapporteur of the Committee for 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.

### 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, 2010 for Thomas Cook (India) Limited and its subsidiaries.

Sr. No.	Name	Days	Rate	Amount (₹)
	<b>Thomas Cook (India) Limited</b>			
1.	Mr. Hoshang Shavaksha Billimoria	365	0.179	10,40,181
2.	Mr. Anant Vishnu Rajwade	365	0.179	10,40,181
3.	Mr. Ramesh A. Savoor	365	0.179	10,40,181
4.	Mr. Mahendra Kumar Sharma	365	0.179	10,40,181
5.	Mr. Krishnan Ramachandran	365	0.179	10,40,181
6.	Mr. Dilip De	25	0.012	71,245
	<b>Total</b>			<b>52,72,150</b>
	<b>Travel Corporation (India) Limited</b>			
1.	Mr. H.S.Billimoria	365		* Nil

\* Due to non availability of distributable profits.

The following Director of Thomas Cook (India) Limited, representing Thomas Cook Group plc., has waived his share of the Commission, and the same will be ploughed back into the profits of the Company.

Mr. Heinrich-Ludger Heuberg

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.

A.V. RAJWADE

Chairman

Mumbai

Date : 17th February, 2011

Recruitment & Remuneration Committee

## Auditors' Certificate Regarding Compliance of Conditions of Corporate Governance

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, 2010, 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 Company's 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.

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

VASANT GUJARATHI  
Partner  
Membership Number: 17866

Mumbai,  
17th February, 2011

## 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 2010 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

MADHAVAN MENON  
Managing Director  
Thomas Cook (India) Limited  
Mumbai, 17th February, 2011

VINAYAK K. PUROHIT  
Executive Director – Finance  
Thomas Cook (India) Limited  
Mumbai, 17th February, 2011

#### Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that all the Members of the Board and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st December, 2010.

MADHAVAN MENON  
Managing Director  
Thomas Cook (India) Limited  
Mumbai, 17th February, 2011



# Auditors' Report

## Auditors' Report to the Members of Thomas Cook (India) Limited

1. We have audited the attached Balance Sheet of Thomas Cook (India) Limited (the "Company") as at 31st December, 2010, 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, 2010 and taken on record by the Board of Directors, no director is disqualified as on 31st December, 2010 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 Schedules A to Q annexed 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, 2010;
    - (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.

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

VASANT GUJARATHI  
Partner  
Membership Number: 17866

Mumbai  
17th February, 2011

## 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, 2010]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies 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.
- (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.
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 except in respect of Corporate Travel Business where the internal control system needs to be strengthened on account of certain integration issues arising post implementation of the Corporate Travel Module. Further, on the basis of our examination of the books and records of the Company, 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. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register maintained under that section.
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. As informed to us sales tax and excise duty are not applicable to the Company during the year. The extent of arrears of statutory due outstanding as at 31st December 2010, for the period of more than six months from the date they became payable, in respect of income tax is as follows:

Name of the statute	Nature of dues	Amount ₹	Year to which the amount relates
Income-tax Act, 1961	Income-tax on certain disallowances	2,566,962	Assessment year 2006-07

- (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, 2010 which have not been deposited on account of a dispute, are as follows –

Name of the statute	Nature of dues	Amount ₹	Year to which the amount relates	Forum where the dispute is pending
Service Tax Rules, 1994	Service Tax	686,383,970	Financial Year 2003 to 2009	Various Levels from Assistant Commissioner to CESTAT

## Annexure to the Auditors' Report

8. The Company has no accumulated losses as at 31st December, 2010 and it 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 as at the balance sheet date.
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, 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, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
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 a 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 issues 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 by the Company, noticed or reported during the year, nor have we been informed of such case by the management. Frauds on the Company through misappropriation of assets aggregating to ₹ 5,620,000 by employees of the Company, were noticed and reported. The management has since recovered ₹ 350,000 of the total amount (Refer Note 2(s) of 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.

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

VASANT GUJARATHI  
Partner  
Membership Number: 17866

Mumbai  
17th February, 2011

# Balance Sheet

## as at 31st December, 2010

	Schedule	As at 31st December, 2010		As at 31st December, 2009	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>					
SHAREHOLDERS' FUNDS					
Capital	A	217,723,349		217,362,219	
Reserves and Surplus	B	2,846,106,122		2,507,897,990	
			3,063,829,471		2,725,260,209
LOAN FUNDS					
Secured Loans	C	19,804,172		4,828,606	
Unsecured Loans	D	1,967,502,221		1,671,001,710	
			1,987,306,393		1,675,830,316
DEFERRED TAXATION (NET)					
Deferred Tax Liability	E	75,014,325		67,138,331	
Less: Deferred Tax Assets		31,078,118		30,841,790	
			43,936,207		36,296,541
Total			<u>5,095,072,071</u>		<u>4,437,387,066</u>
<b>APPLICATION OF FUNDS</b>					
FIXED ASSETS					
Gross Block	F	1,363,991,992		1,237,924,730	
Less: Depreciation		708,673,622		634,092,887	
Net Block		655,318,370		603,831,843	
Capital work-in-progress (including capital advances)		52,721,596		22,665,096	
			708,039,966		626,496,939
INVESTMENTS	G		1,974,149,999		1,925,421,878
CURRENT ASSETS, LOANS AND ADVANCES					
Sundry Debtors	H	1,863,293,422		1,721,204,172	
Cash and Bank Balances	I	1,083,769,177		1,181,103,997	
Loans and Advances	J	1,236,924,127		883,112,850	
		4,183,986,726		3,785,421,019	
LESS: CURRENT LIABILITIES AND PROVISIONS					
Liabilities	K	1,660,739,275		1,780,147,619	
Provisions	L	110,365,345		119,805,151	
		1,771,104,620		1,899,952,770	
Net Current Assets			2,412,882,106		1,885,468,249
Total			<u>5,095,072,071</u>		<u>4,437,387,066</u>
Notes to the 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

For and on behalf of the Board

For LOVELOCK &amp; LEWES

Firm Registration Number: 301056E

Chartered Accountants

VASANT GUJARATHI

Partner

Membership No. 17866

Mumbai, 17th February, 2011

MADHAVAN MENON

VINAYAK K. PUROHIT

RAKSHIT DESAI

R. R. KENKARE

Mumbai, 17th February, 2011

– Managing Director

– Executive Director – Finance

– Executive Director – Travel Services

– President & Head – Legal &  
Company Secretary

# Profit and Loss Account

## for the year ended 31st December, 2010

	Schedule	Year ended 31st December, 2010 Rupees                      Rupees		Year ended 31st December, 2009 Rupees                      Rupees	
<b>INCOME</b>					
Revenue [Refer Note 2(m) of Schedule “Q”]		2,673,609,332		2,196,169,959	
Other Income	M	118,607,230		59,637,724	
			2,792,216,562		2,255,807,683
<b>EXPENDITURE</b>					
Personnel Cost	N	1,004,684,343		839,531,269	
Advertisement and Business Promotion		188,143,202		98,906,561	
Other Expenses	O	740,463,475		671,053,488	
Interest and Other Finance Expenses (Net of Interest Income)	P	211,546,670		206,793,265	
Depreciation	F	115,858,189		98,522,855	
			2,260,695,879		1,914,807,438
<b>PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEM</b>			531,520,683		341,000,245
Add: Exceptional Item [Refer Note 2(p) of Schedule “Q”]			100,000,000		—
<b>PROFIT AFTER EXCEPTIONAL ITEM AND BEFORE TAXATION</b>			631,520,683		341,000,245
Provision for Taxation					
Current Tax		208,500,000		114,100,000	
Fringe Benefit Tax		—		1,500,000	
Deferred Tax		7,639,666		3,752,798	
			216,139,666		119,352,798
<b>NET PROFIT AFTER TAXATION</b>			415,381,017		221,647,447
Add: Transfer from Reserve created under Section 80HHD of the Income-tax Act, 1961			15,000,000		15,000,000
			430,381,017		236,647,447
Balance brought forward from previous year			737,788,275		617,047,311
			1,168,169,292		853,694,758
<b>APPROPRIATIONS</b>					
Transfer to General Reserve			41,538,102		22,164,745
Dividend for the previous year paid during the year			73,185		—
Corporate Dividend Tax for the Previous year and paid during the year			12,155		—
Proposed Dividend on Equity Shares			79,427,887		79,292,463
Dividend on Preference Shares			—		832,046
Proposed Dividend on Preference Shares			59		59
Corporate Dividend Tax			13,191,989		13,617,170
Balance carried to Balance Sheet			1,033,925,915		737,788,275
			1,168,169,292		853,694,758
Earnings per Share - Basic			1.96		1.06
Earnings per Share - Diluted			1.91		1.03
[₹ per Equity Share of ₹ 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

For and on behalf of the Board

For LOVELOCK &amp; LEWES

Firm Registration Number: 301056E

Chartered Accountants

VASANT GUJARATHI

Partner

Membership No. 17866

Mumbai, 17th February, 2011

MADHAVAN MENON

VINAYAK K. PUROHIT

RAKSHIT DESAI

R. R. KENKARE

Mumbai, 17th February, 2011

— Managing Director

— Executive Director – Finance

— Executive Director – Travel Services

— President & Head – Legal &  
Company Secretary

## Schedules forming part of the Balance Sheet as at 31st December, 2010

	As at 31st December, 2010 Rupees	As at 31st December, 2009 Rupees
<b>SCHEDULE "A" : CAPITAL</b>		
Authorised		
345,827,060 Equity Shares of ₹ 1 each	345,827,060	345,827,060
114,760,000 'Class A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10 each	1,147,600,000	1,147,600,000
355,294 'Class B' 0.001% Cumulative Convertible/Redeemable Preference Shares of ₹ 10 each	3,552,940	3,552,940
302,000 'Class C' 0.001% Cumulative Convertible/Redeemable Preference Shares of ₹ 10 each	3,020,000	3,020,000
125,000,000 1% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10 each	1,250,000,000	1,250,000,000
	<u>2,750,000,000</u>	<u>2,750,000,000</u>
Issued and Subscribed		
211,807,699 ( <i>Previous Year 211,446,569</i> ) Equity Shares of ₹ 1 each fully paid-up	211,807,699	211,446,569
[118,125,000 Equity Shares are held by the holding company, TCIM Limited, UK]		
[45,346,449 Equity Shares are held by Thomas Cook UK Limited, the Holding Company of TCIM Limited, UK]		
319,765 'Class B' 0.001% Cumulative Convertible/Redeemable Preference Shares of ₹ 10 each	3,197,650	3,197,650
271,800 'Class C' 0.001% Cumulative Convertible/Redeemable Preference Shares of ₹ 10 each	2,718,000	2,718,000
	<u>217,723,349</u>	<u>217,362,219</u>
Of the above:		
(a) 2,799,930 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) 319,765 'Class B' 0.001% Cumulative Convertible/Redeemable Preference Shares of ₹ 10 each		
(ii) 271,800 'Class C' 0.001% Cumulative Convertible/Redeemable Preference Shares of ₹ 10 each		
(iii) 14,949,000 Equity Shares of ₹ 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, 2010 are 4,926,478 ( <i>Previous Year 3,976,725</i> ). Of these 205,667 ( <i>Previous Year 271,500</i> ) options have vested in 2008, 462,500 ( <i>Previous Year 636,000</i> ) options have vested in 2009, 857,605 ( <i>Previous Year 1,325,575</i> ) options have vested in 2010, 1,153,396 ( <i>Previous Year 1,054,075</i> ) will vest in 2011, 896,563 ( <i>Previous Year 689,575</i> ) will vest in 2012 and 1,350,747 ( <i>Previous Year Nil</i> ) will vest in 2013. During the Year 361,130 ( <i>Previous Year Nil</i> ) options were exercised.		



# Schedules forming part of the Balance Sheet

## as at 31st December, 2010

	As at 31st December, 2010		As at 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<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	15,000,000		30,000,000	
Less: Transfer to Profit and Loss Account	15,000,000		15,000,000	
		—		15,000,000
General Reserve				
Balance as per last Balance Sheet	127,642,906		105,478,161	
Add: Transfer from Profit and Loss Account	41,538,102		22,164,745	
		169,181,008		127,642,906
Profit and Loss Account		1,033,925,915		737,788,275
Share Premium				
Opening Balance	1,620,094,498		868,591	
Add: Premium on Right Issue of Equity Shares	—		1,747,449,115	
Add: Premium on Issue of Equity Shares under Employee Stock Option Plan	13,742,720		—	
Add: Transfer from Employee Stock Options	741,197		—	
Less: Right Issue Expenses	—		22,935,537	
Less: Premium on redemption of Preference Shares	—		105,287,671	
Closing Balance		1,634,578,415		1,620,094,498
Employee Stock Options				
Opening Employee Stock Options Outstanding	7,372,311		3,660,824	
Add: Charge to Profit & Loss Account	1,789,670		3,711,487	
Less: Transfer to Share Premium Account	741,197		—	
Closing Employee Stock Options Outstanding		8,420,784		7,372,311
		2,846,106,122		2,507,897,990
<b>SCHEDULE "C" : SECURED LOANS</b>				
Finance Lease Liability		19,804,172		4,828,606
(Obligations under finance lease are secured against fixed assets acquired under finance lease arrangements)				
		19,804,172		4,828,606
<b>SCHEDULE "D" : UNSECURED LOANS</b>				
Short-term Loans from Banks		1,696,604,508		1,395,367,624
Bank Overdrafts		270,897,713		275,634,086
		1,967,502,221		1,671,001,710
<b>SCHEDULE "E" : DEFERRED TAXATION (NET)</b>				
Deferred Tax Liability				
On Fiscal Allowances on Fixed Assets		75,014,325		67,138,331
Less: Deferred Tax Assets				
On Provisions Allowable for tax purposes when paid	7,629,992		10,456,871	
On Provision for Doubtful Debts and Advances	22,475,466		15,408,523	
On Unamortised Expenditure	972,660		4,976,396	
		31,078,118		30,841,790
		43,936,207		36,296,541

# Schedule forming part of the Balance Sheet

## as at 31st December, 2010

### SCHEDULE "F" : FIXED ASSETS

(Rupees)

Description	Gross Block (at cost)			Depreciation/Amortisation				Net Block	
	As at 01.01.2010	Additions	Deductions	As at 31.12.2010	For the year	On Deductions	As at 31.12.2010	As at 31.12.2010	As at 31.12.2009
Intangible Assets									
Goodwill	8,831,169	—	—	8,831,169	—	—	8,831,169	—	—
Software	317,091,483	37,125,681	—	354,217,164	57,248,096	—	246,073,854	108,143,310	128,265,725
Tangible Assets									
Leasehold Properties	47,103,597	12,500,000	4,242,711	55,360,886	3,826,151	2,583,615	38,382,034	16,978,852	9,964,099
Freehold Properties	225,867,424	43,601,960	7,112,862	262,356,522	4,040,305	2,004,503	45,528,088	216,828,434	182,375,138
Strong Room	692,425	—	—	692,425	15,773	—	616,319	76,106	91,879
Furniture and Fittings	234,782,390	42,931,157	16,402,118	261,311,429	14,243,354	8,607,095	107,311,922	153,999,507	133,106,727
Computers	200,267,837	23,683,564	13,878,889	210,072,512	21,393,397	13,643,934	172,824,028	37,248,484	35,193,272
Office Equipment	186,592,975	13,767,557	16,387,708	183,972,824	74,452,017	8,672,466	78,081,111	105,891,713	112,140,958
Vehicles	16,695,430	16,944,611	6,462,980	27,177,061	14,001,385	5,765,841	11,025,097	16,151,964	2,694,045
Total	1,237,924,730	190,554,530	64,487,268	1,363,991,992	115,858,189	41,277,454	708,673,622	655,318,370	603,831,843
Previous Year	1,149,213,743	123,987,215	35,276,228	1,237,924,730	98,522,855	23,965,221	634,092,887	603,831,843	

#### Notes:

- Intangible Assets are other than internally generated.
- Cost of Freehold Properties includes:
  - 60 (Previous Year 75) unquoted fully paid-up Shares of ₹ 3,000 (Previous Year ₹ 4,000) in various Co-operative Societies.
  - Share application money of ₹ 2,040 to various Co-operative Societies.
  - Premises of ₹ 38,310,760 (Previous Year ₹ 12,098,500) on freehold land where the Company is yet to be registered as the owner of a proportionate share in land.
  - Premises of ₹ 163,506,670 where the Co-operative Society is yet to be formed.
- Gross block and Net block of assets includes assets acquired under Finance Leases as follows:
  - Vehicles ₹ 16,944,611 (Previous Year ₹ Nil) and ₹ 15,422,235 (Previous Year ₹ Nil) respectively.
  - Computer hardware ₹ 3,053,425 (Previous Year ₹ 3,053,425) and ₹ 1,832,055 (Previous Year ₹ 2,595,411) respectively.
  - Computer software ₹ 2,040,754 (Previous Year ₹ 2,040,754) and ₹ 1,224,453 (Previous Year ₹ 1,734,641) respectively.

# Schedules forming part of the Balance Sheet

## as at 31st December, 2010

	As at 31st December, 2010		As at 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "G" : INVESTMENTS</b>				
(Unquoted unless otherwise stated)				
Current - Non-Trade				
In fully paid up Units of Mutual Funds				
- 2,985,559 ( <i>Previous Year Nil</i> ) Units of ₹ 10 each - SBI Insta Cash Fund - Daily Dividend Option		50,009,015		—
Long-term (at cost)				
In Subsidiary Companies				
- 50,000 fully paid-up Equity Shares of ₹ 10 each of Thomas Cook Insurance Services (India) Limited	500,000		500,000	
- 50,000 fully paid-up Equity Shares of ₹ 10 each of Indian Horizon Travel and Tours Limited	500,000		500,000	
- 50,000 fully paid-up Equity Shares of ₹ 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 ₹ 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				
- Nil ( <i>Previous Year 393,662</i> ) fully paid-up Ordinary Shares of SLR 10 each of Tangerine Beach Hotel Limited - Quoted		—		1,279,624
- 676 fully paid-up Class C (Series I) Common Stock of USD 0.0001 each of Visa Inc.		962,589		962,589
In fully paid-up Ordinary Shares - Non-Trade				
- 10 fully paid-up Equity Shares of ₹ 10 each of JIK Industries Limited - Quoted		18,000		18,000
- 100 fully paid-up Equity Shares of ₹ 10 each of Weizmann Limited - Quoted		2,000		2,000
		1,974,167,804		1,925,438,413
Less : Provision for diminution in value of investment		17,805		16,535
		1,974,149,999		1,925,421,878
Aggregate amount of Quoted Investments		2,195		1,283,089
Aggregate amount of Unquoted Investments		1,974,147,804		1,924,138,789
		1,974,149,999		1,925,421,878
Aggregate Market Value of Quoted Investments		2,195		10,133,539

# Schedules forming part of the Balance Sheet

## as at 31st December, 2010

	As at 31st December, 2010		As at 31st December, 2009	
	Units		Units	
<b>SCHEDULE “G” : INVESTMENTS (Contd.)</b>				
Investments purchased and sold during the year				
- Units of ₹ 10 each of Birla Sun Life Cash Manager - Institutional Plan - Daily Dividend - Reinvestment		40,992,386		4,999,021
- Units of ₹ 10 each of IDFC Cash Fund - Super Institutional Plan C - Daily Dividend		14,998,043		124,990,857
- Units of ₹ 10 each of LIC MF Liquid Fund Dividend Plan		11,840,604		—
- Units of ₹ 10 each of SBI - Magnum Insta Cash Fund - Daily Dividend Option		11,344,311		69,861,856
- Units of ₹ 10 each of SBI Premier Liquid Fund Super Institutional Daily Dividend		9,970,149		—
- Units of ₹ 10 each of SBI - Premier Liquid Fund - Institutional - Daily Dividend		8,972,034		1,993,664
- Units of ₹ 1,000 each of Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment		1,029,435		329,812
- Units of ₹ 10 each of HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment		3,761,060		38,743,940
- Units of ₹ 10 each of SBI - SHF - Ultra Short Term Fund - Institutional Plan- Daily Dividend		575,083		9,999,699
- Units of ₹ 1,000 each of UTI Money Market MF - Institutional Daily Dividend Reinvestment		199,355		—
- Units of ₹ 10 each of Birla Sun Life Cash Manager - Institutional Plan - Growth		—		16,932,606
- Units of ₹ 10 each of Birla Sun Life Cash Plus - Institutional Premium - Daily Dividend- Reinvestment		—		159,710,442
- Units of ₹ 10 each of Birla Sun Life Savings Fund - Institutional Plan - Daily Dividend- Reinvestment		—		9,998,135
- Units of ₹ 10 each of HDFC Liquid Fund Premium Plan - Dividend - Daily Reinvestment		—		44,050,454
- Units of ₹ 10 each of IDFC Cash Fund - Institutional Plan B - Daily Dividend		—		14,998,889
- Units of ₹ 10 each of SBI - Magnum Insta Cash Fund - Cash Option		—		2,532,684
- Units of ₹ 1,000 each of Templeton India Treasury Management Account Super Institutional Plan - Growth		—		572,139
- Units of ₹ 1,000 each of UTI Liquid Cash Plan Institutional - Daily Income Option - Reinvestment		—		853,499
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE “H” : SUNDRY DEBTORS</b>				
Unsecured, Considered Good				
Outstanding exceeding six months		120,335,613		78,869,702
Others		1,742,957,809		1,642,334,470
		1,863,293,422		1,721,204,172
Unsecured, Considered Doubtful				
Outstanding exceeding six months		62,387,727		47,026,191
Less: Provision for Doubtful Debts		62,387,727		47,026,191
		—		—
		1,863,293,422		1,721,204,172

# Schedules forming part of the Balance Sheet

## as at 31st December, 2010

	As at 31st December, 2010		As at 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "I" : CASH AND BANK BALANCES</b>				
Cash and Cheques on Hand (including Foreign Currencies - Notes and paid documents)		452,894,808		332,063,829
Remittances in Transit (including Foreign Currencies - Notes and paid documents)		285,132,729		377,076,431
Balances with Scheduled Banks				
On Current Accounts	297,360,827		59,507,523	
On Deposit Accounts (on lien with various authorities)	11,080,750		10,764,650	
		308,441,577		70,272,173
Balances with Non-Scheduled Banks				
On Current Accounts				
Deutsche Bank Trust Company Americas, New York, USA (maximum balance during the year ₹ 344,584,464 - Previous Year ₹ 462,329,307)	—		233,284,962	
Deutsche Bank AG, Frankfurt, Germany (maximum balance during the year ₹ 388,064,110 - Previous Year ₹ 328,606,703)	12,579,529		154,785,506	
Bank of Nova Scotia, Toronto, Canada (maximum balance during the year ₹ 30,496,840 - Previous Year ₹ 48,721,761)	—		5,305,212	
ANZ National Bank Limited, Wellington, New Zealand (maximum balance during the year ₹ 14,668,131 - Previous Year ₹ 21,523,091)	4,678,048		1,046,435	
ANZ National Bank Limited, Melbourne, Australia (maximum balance during the year ₹ 78,079,498 - Previous Year ₹ 33,879,446)	979,333		—	
Bank of America, Singapore (maximum balance during the year ₹ 12,107,013 - Previous Year ₹ 8,325,707)	—		5,421,579	
Bank of America, Bangkok, Thailand (maximum balance during the year ₹ 6,792,380 - Previous Year ₹ Nil)	1,740,908		—	
Commercial Bank, Colombo, Sri Lanka (maximum balance during the year ₹ 3,937,731 - Previous Year ₹ Nil)	130,890		—	
Standard Chartered Grindlays Bank, Colombo, Sri Lanka (maximum balance during the year ₹ 15,816,168 - Previous Year ₹ 1,379,563)	15,762,185		11,093	
NDB Bank, Colombo, Sri Lanka (maximum balance during the year ₹ 43,502 - Previous Year ₹ 13,620)	15,790		13,515	
	35,886,683		399,868,302	
On Deposit Accounts				
NDB Bank, Colombo, Sri Lanka (maximum balance during the year ₹ 1,413,380 - Previous Year ₹ 1,823,262)	1,413,380		1,823,262	
		37,300,063		401,691,564
		1,083,769,177		1,181,103,997

## Schedules forming part of the Balance Sheet as at 31st December, 2010

	As at 31st December, 2010		As at 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "J" : LOANS AND ADVANCES</b>				
(Unsecured, Considered Good unless otherwise stated)				
Advances to Subsidiary Companies		66,935,113		1,755,785
Advances Recoverable in cash or in kind or for value to be received				
Considered Good	958,770,538		629,961,125	
Considered Doubtful	5,273,797		5,273,797	
	964,044,335		635,234,922	
Less : Provision for Doubtful Advances	5,273,797		5,273,797	
		958,770,538		629,961,125
Advance Tax [Net of Provision for tax ₹ 2,216,530,288 (Previous Year ₹ 2,008,030,288)]		211,218,476		251,395,940
		<u>1,236,924,127</u>		<u>883,112,850</u>
<b>SCHEDULE "K" : LIABILITIES</b>				
Sundry Creditors other than Micro and Small Scale Business Entities* [Refer Note 2(d) of Schedule "Q"]		1,310,349,221		1,551,719,232
Payable to Subsidiary Companies		7,053,153		5,317,303
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)		295,399,721		183,587,930
Unpaid Dividend@		2,118,436		2,095,567
Interest accrued but not due		7,716,918		4,080,960
Fractional Entitlement on Bonus Shares Refund Accounts		49,066		49,066
Other Liabilities		33,250,760		28,495,561
		<u>1,660,739,275</u>		<u>1,780,147,619</u>
*Includes Book Overdrafts aggregating to ₹ 257,635,606 (Previous Year ₹ 851,382,001).				
@There is no amount due and outstanding to be credited to Investor Education and Protection Fund.				
<b>SCHEDULE "L" : PROVISIONS</b>				
Proposed Dividend		79,427,887		79,292,463
Proposed Preference Dividend		59		59
Corporate Dividend Tax		13,498,247		13,475,764
Provision for Leave Encashment		3,375,969		7,062,139
Provision for Gratuity		14,063,183		19,974,726
		<u>110,365,345</u>		<u>119,805,151</u>

# Schedules forming part of the Profit and Loss Account

## for the year ended 31st December, 2010

	Year ended 31st December, 2010	Year ended 31st December, 2009
	Rupees	Rupees
<b>SCHEDULE "M" : OTHER INCOME</b>		
Dividend on Current Investments - Non-Trade	406,454	1,345,712
Rent	169,286	959,702
Profit on Sale of Fixed Assets (Net)	13,278,671	—
Exchange Variation (Net) other than in the normal course of business as Foreign Exchange Authorised Dealers	17,158,651	—
Profit on Redemption of Long-term Investments	14,098,942	—
Liabilities no longer required written back	68,246,606	55,303,477
Miscellaneous Income	5,248,620	2,028,833
	<u>118,607,230</u>	<u>59,637,724</u>
<b>SCHEDULE "N" : PERSONNEL COST</b>		
Salaries, Wages and Bonus *	813,698,183	743,769,403
Contribution to Provident and Other Funds	48,390,716	46,289,843
Premium on/ Provision/ (Write back) for Gratuity-cum-Life Assurance Policy (Net)	7,383,963	(2,727,506)
Staff Welfare Expenses	43,653,218	30,820,758
Staff Training, Recruitment and Other Costs	20,335,114	9,626,180
Incentive/Commission to Staff and Directors	71,223,149	11,752,591
	<u>1,004,684,343</u>	<u>839,531,269</u>
* Includes ₹ 1,789,670 (Previous Year - ₹ 3,711,487) on account of discounting charges on Employee Stock Options.		



# Schedules forming part of the Profit and Loss Account

## for the year ended 31st December, 2010

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "O" : OTHER EXPENSES</b>				
Rent		183,309,870		187,839,667
Rates and Taxes		5,566,802		5,087,967
Insurance		9,576,354		12,492,848
Repairs and Maintenance				
Buildings	320,614		319,844	
Others	65,515,025		53,805,789	
		65,835,639		54,125,633
Electricity		37,958,766		38,168,922
Printing and Stationery		18,820,078		16,083,035
Postage, Telegrams, Telex and Telephones		93,145,550		69,744,073
Freight Currency Shipment		22,513,736		23,233,028
Legal and Professional Charges		97,836,753		83,158,940
Auditors' Remuneration				
Audit Fees	4,500,000		4,500,000	
Reports under the provisions of the Income-tax Act, 1961	2,750,000		2,750,000	
Miscellaneous Reports	246,000		71,000	
Reimbursement of Expenses	134,296		192,510	
	7,630,296		7,513,510	
Branch Auditors' Remuneration - Audit Fees	430,533		373,580	
		8,060,829		7,887,090
Travelling and Conveyance		86,265,457		58,827,664
Directors' Fees		1,540,000		1,600,000
Security Services		19,865,673		20,448,045
Vehicle Running and Maintenance		23,641,745		28,834,180
Licence Fees		19,148,800		19,001,100
Loss on Sale of Fixed Assets (Net)		—		7,287,333
Bad Debts and advances written off		20,882		9,743,720
Provision for Doubtful Debts and Advances (Net)		15,361,536		6,238,021
Provision for diminution in the value of Long Term Investment		1,270		—
Donations		7,500		25,000
Exchange Variation (Net) other than in the normal course of business as Authorised Foreign Exchange Dealers		—		1,333,254
Miscellaneous Expenses		31,986,235		19,893,968
		<u>740,463,475</u>		<u>671,053,488</u>
<b>SCHEDULE "P" : INTEREST AND OTHER FINANCE EXPENSES</b>				
Interest				
Short-term Loans from Banks	125,621,975		130,514,233	
Bank Overdrafts	26,208,923		18,638,949	
	151,830,898		149,153,182	
Other Finance Expenses	60,915,647		60,490,000	
		212,746,545		209,643,182
Less : Interest Income				
On Deposits with Bank (Gross)	1,036,447		2,655,000	
[Tax Deducted at Source ₹ 62,203 (Previous Year - ₹ 459,016)]				
Others	163,428		194,917	
		1,199,875		2,849,917
		<u>211,546,670</u>		<u>206,793,265</u>

# Schedules forming part of the Financial Statements

## for the year ended 31st December, 2010

### 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 notified under sub-section (3C) of Section 211 of The Companies Act, 1956 (the 'Act') and the other relevant provisions of 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 ₹ 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 Bank of Ceylon, 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 revenue.

(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.

(e) Employee Benefits

(a) Defined Contribution Plans

The Company has Defined Contribution Plans for post employment benefits in the form of Provident Fund and Superannuation schemes. Contributions to Defined Contribution schemes such as Provident Fund and Superannuation

# Schedules forming part of the Financial Statements

## for the year ended 31st December, 2010

### SCHEDULE "Q" : (Contd.)

schemes are charged to the Profit and Loss account as incurred. Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The contribution to Superannuation scheme are based on the premium contribution called for by Life Insurance Corporation of India (LIC) with whom the Company has entered into an agreement for its Indian operations.

#### (b) Defined Benefit Plans

The Company has Defined Benefit Plans for post employment benefits in the form of Gratuity. Contribution to gratuity is based on the premium contribution called for by the Life Insurance Corporation of India (LIC) with whom the Company has entered into an agreement for its Indian operations. Any short fall/excess based on independent actuarial valuation is accounted for in the relevant period.

The employees of the Company are entitled to Leave benefits as per the policy of the Company. Provision towards accrued leave is made based on actuarial valuation done by independent actuaries for the accumulated unutilised leave balances of the employees at the year-end.

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

#### (f) Employee Stock Option Plan

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

#### (g) Revenue

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

#### (h) Revenue Recognition

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

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

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

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, 2010

### SCHEDULE "Q" : (Contd.)

#### 2. Notes to the Financial Statements

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 12,326,038 (Previous Year ₹ 5,306,211).

	As at 31st December, 2010 Rupees	As at 31st December, 2009 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
(ii) Disputed Income-tax Demands	—	57,600,535
(iii) Disputed Service Tax Demands	686,383,970	238,730,410
(iv) Disputed Demand for increase in rent raised by Brihanmumbai Municipal Corporation	41,346,200	37,211,580
(v) Disputed Value Added Tax Demands	3,182,594	—
(vi) Corporate Guarantee given to a bank for the credit facilities extended by the said bank to Thomas Cook (Mauritius) Operations Company Limited	—	69,795,000

#### Note:

Future cash outflows in respect of (i) to (v) 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 year is the aggregate of the provision made for the three months ended 31st March, 2010 and the provision based on the figures for the remaining nine months up to 31st December, 2010, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2010 to 31st March, 2011.
- (d) 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, 2010. 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, 2010

SCHEDULE "Q" : (Contd.)	Year ended 31st December, 2010		Year ended 31st December, 2009	
	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		19,906,353		17,389,500
House Rent Allowance/Perquisite		9,357,722		8,726,004
Contribution to Provident and Other Funds		2,388,769		2,086,740
Perquisites in cash and in kind		25,699,327		24,471,740
		57,352,171		52,673,984
Commission to Non-Executive Directors		5,272,149		2,680,675
		62,624,320		55,354,659
Directors' Fees		1,540,000		1,600,000
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		531,520,683		341,000,245
Add : Remuneration to Directors	62,624,320		55,354,659	
Directors' Fees	1,540,000		1,600,000	
Depreciation as per Profit and Loss Account	115,858,189		98,522,855	
Loss on Sale of Fixed Assets (Net) as per Profit and Loss Account	—		7,287,333	
Profit on Sale of Fixed Assets as per Section 350 of the Act	3,832,822		83,266	
		183,855,331		162,848,113
		715,376,014		503,848,358
Less : Depreciation as per Section 350 of the Act	87,185,002		74,388,997	
Loss on Sale/write off of Fixed Assets as per Section 350 of the Act	16,228,983		9,756,554	
Profit on Sale of Fixed Assets (Net) as per Profit and Loss Account	13,278,671		—	
Profit on Sale of Investments as per Profit and Loss Account	14,098,942		—	
		130,791,598		84,145,551
Net Profit		584,584,416		419,702,807
Commission to Non-Executive Directors @ 1%		5,845,844		—
Salary and Commission to Executive Directors @10%		58,458,442		—
Commission to Directors, restricted by the Board of Directors to		5,272,149		—
(f) Expenditure in Foreign Currency				
(Other than in the normal course of the business as authorised foreign exchange dealers)				
Interest and Bank Charges		32,413,068		35,461,108
Licence fees		19,148,800		19,001,100
Travelling, Subscription and Others		9,369,227		9,618,944
Professional Fees		11,884,487		578,643

# Schedules forming part of the Financial Statements

## for the year ended 31st December, 2010

SCHEDULE "Q" : (Contd.)	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
(g) Remittance of Dividend to Non-resident Shareholders				
Number of Shareholders		2*		2*
Number of Equity Shares held		163,471,449		163,471,449
Amount remitted		61,301,793		61,301,793
Year to which the dividend related		31st December, 2009		31st December, 2008
* TCIM Limited, UK & Thomas Cook UK Limited				
(h) Earnings in Foreign Currency				
(Excluding reimbursement of expenses and receipts in foreign currency of foreign exchange transactions in the normal course of the business as authorised foreign exchange dealers)				
Receipts from Independent Tours and Travel		426,694,488		546,829,264
Commission on Travellers Cheques		28,950,785		29,870,547
Cash Passport		1,458,350		3,564,404
Incentive on Currency Exports		—		69,500

## (i) Related Party Disclosures

## (A) Enterprises where control exists

## (i) Holding Company

TCIM Limited, UK holds 55.77% of Equity Shares of the Company. Thomas Cook UK Limited, the Holding Company of TCIM Limited, UK owns 21.41% of Equity Shares of the Company. Thomas Cook UK Limited is a step down subsidiary of Thomas Cook Group plc, the ultimate holding company.

## (ii) Subsidiary Companies

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

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

## (i) Fellow Subsidiaries

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

## (ii) Key Management Personnel

Madhavan Menon  
Vinayak K. Purohit  
Rakshit Desai  
Amitabh Pandey  
Dr. Prasanth Nair

## (iii) Relatives of Key Management Personnel

R. R. Kenkare  
Lili Menon

# Schedules forming part of the Financial Statements

## for the year ended 31st December, 2010

### SCHEDULE "Q" : (Contd.)

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

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
(i) Holding Company				
Licence Fees				
Thomas Cook UK Limited		19,148,800		19,001,100
Reimbursement of Expenses				
Thomas Cook UK Limited		11,884,487		—
Dividend remitted				
TCIM Limited, UK		44,296,875		44,296,875
Thomas Cook UK Limited		17,004,918		17,004,918
(ii) Subsidiary Companies				
Reimbursement of Expenses (Net)				
Thomas Cook Insurance Services (India) Limited		29,404,807		16,235,719
Travel Corporation (India) Limited		57,839,962		2,744,047
Indian Horizon Travel and Tours Limited		3,000		5,500
Thomas Cook Tours Limited		3,000		5,500
Export of Foreign Currencies*				
Thomas Cook (Mauritius) Operations Company Limited		164,709,583		335,257,922
Services Availed#				
Thomas Cook (Mauritius) Holidays Limited		30,331,559		23,552,606
Balances as at the year end -				
Outstanding Receivables				
Thomas Cook Insurance Services (India) Limited		—		525,647
Travel Corporation (India) Limited		52,876,960		—
Indian Horizon Travel and Tours Limited		8,500		5,500
Thomas Cook Tours Limited		8,500		5,500
Thomas Cook (Mauritius) Operations Company Limited		14,041,153		1,219,138
		66,935,113		1,755,785
Outstanding Payables				
Thomas Cook (Mauritius) Holidays Limited		7,053,153		5,317,303
(iii) Fellow Subsidiaries				
Sale of Services*				
Thomas Cook Tour Operations Limited, UK		330,760,671		424,296,845
Thomas Cook AG, Germany		38,808,025		39,606,095
Others		29,397,387		23,905,725
		398,966,083		487,808,665
Services Availed#				
Thomas Cook Overseas Limited, Egypt		14,646,111		14,095,206
Balances as at the year end -				
Outstanding Receivables				
Thomas Cook Tour Operations Limited, UK		15,977,178		13,881,452
Thomas Cook AG, Germany		6,743,941		2,890,347
Others		4,903,133		4,009,962
		27,624,252		20,781,761



# Schedules forming part of the Financial Statements

## for the year ended 31st December, 2010

SCHEDULE "Q" : (Contd.)	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
Outstanding Payables				
Thomas Cook Overseas Limited, Egypt		7,090,258		5,153,151
* Sale value of transactions				
# Purchase value of transactions				
(iv) Key Management Personnel				
Remuneration#				
Madhavan Menon	16,878,705		15,621,727	
Vinayak K. Purohit	15,272,281		13,484,098	
Rakshit Desai	25,201,185		23,568,159	
Amitabh Pandey	5,408,647		6,308,167	
Dr. Prasanth Nair	5,626,946		5,633,043	
R. R. Kenkare	7,161,550		7,850,856	
Nalini Gupta	—		13,227,350	
Parag Mehta	—		5,209,494	
		75,549,314		90,902,894
#Gratuity is contributed for the Company as a whole and hence excluded				
(v) Relative of Key Management Personnel				
Rent Expense				
Lili Menon		1,926,000		1,926,000
Balance as at the year end -				
Deposit Receivable				
Lili Menon		16,500,000		16,500,000
(j) Disclosures for Leases				
(A) Finance Leases				
(i) Minimum Lease Payments payable				
- Not later than one year		6,563,495		590,291
- Later than one year but not later than five years		17,345,953		5,425,154
		23,909,448		6,015,445
(ii) Present Value of Minimum Lease Payments payable				
- Not later than one year		4,730,578		216,987
- Later than one year but not later than five years		15,073,594		4,611,619
		19,804,172		4,828,606
(iii) Reconciliation of Minimum Lease Payments and their Present Value				
- Minimum Lease Payments Payable as per (i) above		23,909,448		6,015,445
- Less: Finance Charges to be recognised in subsequent years		4,105,276		1,186,840
- Present Value of Minimum Lease Payments payable as per (ii) above		19,804,172		4,828,605

# Schedules forming part of the Financial Statements

## for the year ended 31st December, 2010

SCHEDULE "Q" : (Contd.)	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
(iv) Finance Charges recognised in the Profit and Loss Account		2,371,520		186,343
(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		216,757,072		216,011,472
(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		18,868,975		13,756,144
- Later than one year and not later than five years		18,084,095		5,894,456
- 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 *		415,380,948		220,673,940
Weighted average number of shares - Basic		211,669,810		208,671,188
Weighted average number of shares - Diluted		218,910,237		215,629,197
Basic Earnings per Share (₹ per Equity Share of ₹ 1 each)		1.96		1.06
Diluted Earnings per Share (₹ per Equity Share of ₹ 1 each)		1.91		1.03
* Dividend amounting to ₹ 69 (Previous Year ₹973,507)(including Corporate Dividend Tax) on Preference shares outstanding during the year has been considered in determining the Earning per Share for year ended 31st December, 2010.				

# Schedules forming part of the Financial Statements

## for the year ended 31st December, 2010

### SCHEDULE "Q" : (Contd.)

#### (I) Employee Benefits

The disclosures as required as per the revised AS 15 are as under:

- a) Charge to the Profit and Loss Account towards Contribution to Provident Fund and Other Funds amounted to ₹ 48,390,716 (Previous Year ₹ 46,289,843)

- b) The disclosures in respect of gratuity, a defined benefit scheme (based on Actuarial Valuation) is as follows -

This does not include gratuity liability of ₹ 469,356 (Previous Year ₹ 371,616) and charge of ₹ 88,139 (Previous Year ₹ 98,156) 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, 2010:-

	Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees
Present Value of Funded Obligations	68,466,008	64,735,159
Fair Value of Plan Assets	(54,872,181)	(45,132,049)
Present Value of Unfunded Obligations	—	—
Unrecognised Past Service Cost	—	—
Amount not Recognised as an Asset	—	—
Net Liability	13,593,827	19,603,110
Amounts in Balance Sheet		
Liability	13,593,827	19,603,110
Assets	—	—
Net Liability	13,593,827	19,603,110
(ii) The amount recognised in the statement of profit and loss are as follows:-		
Current Service Cost	9,513,760	10,505,483
Interest Cost	5,483,229	4,801,219
Expected return on Plan Assets	(3,639,816)	(3,768,871)
Net Actuarial (Gains)/Losses Recognised in the year	(4,061,349)	(16,627,997)
Past Service Cost	—	—
Losses/(Gains) on Curtailments and Settlements	—	2,264,504
Losses/(Gains) on Acquisition and Divestiture	—	—
Total Expense	7,295,824	(2,825,662)
Actual Return on Plan Assets	4,446,382	4,484,326
(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	64,735,159	76,827,770
Current Service Cost	9,513,760	10,505,483
Interest Cost	5,483,229	4,801,219
Actuarial (Gain)/Losses	(3,254,783)	(15,912,542)
Past Service Cost	—	—
Actuarial Losses/(Gain) due to Curtailment	—	—
Liabilities Extinguished on Settlement	—	(9,763,391)
Liabilities Extinguished on Acquisition/(Settled on Divestiture)	—	—
Exchange Difference on Foreign Plans	—	—
Benefits Paid	(8,011,357)	(1,723,380)
Defined Benefit Obligation at year end	68,466,008	64,735,159
(iv) Change in Fair Value of Plan Assets		
Fair Value of Plan Assets beginning of year	45,132,049	43,720,966
Expected Return on Plan Assets	3,639,816	3,768,871
Actuarial Losses/(Gain)	806,566	715,455
Assets Distributed on Settlements	—	(12,027,895)
Contribution by Employer	13,305,107	10,678,032
Assets Acquired on Acquisition/(Distributed on Divestiture)	—	—
Exchange Difference on Foreign Plans	—	—
Benefits Paid	(8,011,357)	(1,723,380)
Fair Value of Plan Assets at year end	54,872,181	45,132,049

# Schedules forming part of the Financial Statements

## for the year ended 31st December, 2010

### SCHEDULE "Q" : (Contd.)

	Year ended 31st December, 2010	Year ended 31st December, 2009
(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.)*	8.00%	7.60%
Expected Rate of Return on Assets (p.a.)**	7.50%	7.50%
Salary Escalation Rate (p.a.)***	6.00%	6.00%

\* 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.

(vii) Experience Adjustments:

	Rupees			
	Year ended			
	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Defined Benefit Obligation	68,466,008	64,735,159	76,827,770	52,110,984
Plan Assets	54,872,181	45,132,049	43,720,966	31,768,969
Surplus/(Deficit)	(13,593,827)	(19,603,110)	(33,106,804)	(20,342,015)
Experience Adjustments on plan Liabilities	(725,302)	(7,955,266)	8,440,995	15,857,534
Experience Adjustments on plan Assets	806,566	715,455	8,036,334	294,898

c) Leave encashment write back during the year amount to ₹ 3,434,477 (Previous Year Charge - ₹ 1,276,619).

(m) Revenue includes:

(i) Brokerage and Incentives paid netted off ₹ 368,774,136 (Previous Year ₹ 243,486,572).

(ii) Exchange loss on revaluation of Nostro and other Bank Accounts used for holding foreign currency for travel business ₹ 36,210,634 (Previous Year ₹ 10,913,354).

(n) The Company had considered Non-Compete Fees amounting to ₹ 220,000,000 paid during the financial year ended 31st December, 2007 as an allowable expenditure for the purpose of computing the provision for tax. In the current year, the Company has received an assessment order from the Income Tax authorities in respect of the assessment year 2007-08. This order has allowed the deduction of non compete fees of ₹ 220,000,000 prorated equally over assessment years 2007-08, 2008-09 & 2009-10 respectively. The necessary adjustments for the year wise provision for tax have been made in the books of account.

(o) Employee Stock Options:

#### Thomas Cook Employees Stock Option Plan -2007.

The Company has established an Employee Stock Option Plan called -"Thomas Cook Employees Stock Option Plan - 2007". The same has been approved by a Special Resolution passed by the Shareholders by a Postal Ballot on 23rd March, 2007.

The Scheme is in accordance with the provisions of Securities and Exchange Board of India (SEBI) - (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The exercise price is as governed by the guidelines issued by SEBI.

The objectives of this plan are:

- Motivate talent in the organization with a view to achieve long-term business goals.
- Retain key talent in the organization
- Foster ownership and motivation.

# Schedules forming part of the Financial Statements

## for the year ended 31st December, 2010

### SCHEDULE "Q" : (Contd.)

The grant of options to employees under the stock option scheme is on the basis of their performance and other eligibility criteria. Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The unvested options shall vest with the participant in 3 equal annual installments on each of the anniversaries from the Grant Date.

#### Thomas Cook Save As You Earn (SAYE) - 2010.

Further to the Thomas Cook Employees Stock Option Plan - 2007, the Company has established a Thomas Cook Save As You Earn (SAYE), Scheme - 2010. The SAYE scheme has been approved by a Special Resolution passed on 14th December, 2010, by the shareholders by means of a Postal Ballot and shall be effective from that date. SAYE is a Monthly Savings Contribution Scheme available to all employees of Thomas Cook (India) Limited and its subsidiaries provided that they have completed at least 6 months in the organization.

The objectives of the SAYE Scheme - 2010 are same as Thomas Cook Employees Stock Option Plan - 2007.

SAYE allows employees to save a part of their net pay every month which gets deposited with a bank in a recurring deposit account carrying fixed rate of interest. At the end of 3 years, employees have the option to either purchase specific number of equity shares of TCIL at the predetermined Exercise Price or withdraw the Monthly Savings Contributions along with Interest accrued.

Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The maximum number of options granted per participant per grant will not exceed 200,000 (Two Hundred Thousand) shares. The maximum number of shares that may be issued/ transferred pursuant to the exercise of options granted under the SAYE scheme shall not exceed 3,000,000 (Three Million) shares.

Vesting under the scheme is linked to the continued association with the Group. The options would vest only when an employee has completed the committed 36 monthly contributions. The exercise period would not be more than one month from the date of vesting.

#### Following are the details of Options granted under these Schemes:

Particulars	Grant Registration				
	GT 25 Jul 2007	GT 10 Jul 2008	GT 20 Mar 2009	GT 27 May 2010	SAYE 14 Dec 2010
Grant Date (GT)	25-Jul-07	10-Jul-08	20-Mar-09	27-May-10	14-Dec-10
Pricing Formula	95% of the closing market price on the stock exchange where higher number of shares are traded			90% of the closing market price on the stock exchange where higher number of shares are traded	
Exercise Price	61.89	77.62	30.31	52.74	50.40
Options Granted and Accepted	1,104,125	1,240,000	2,068,725	991,313	1,020,310
Options vested and exercisable	617,000	513,660	395,062	—	—
Options exercised	113,540	—	261,130	—	—
Options -Lapsed/ Cancelled/ Forfeited	373,585	469,500	280,240	—	—
Total No. of Options in force (Vested and Unvested )	617,000	770,500	1,527,355	991,313	1,020,310

During the year ended 31st December 2010, a total of 361,130 Equity shares of ₹ 1 each were issued and allotted under the Thomas Cook Employee Stock Option Plan - 2007. Consequently, the issued and paid up Equity Share Capital has increased to 211,807,699 shares.

- (p) Exceptional Item represents ₹ 100,000,000 received as compensation towards termination of Non-Compete Agreement for the LKP Forex Acquisition.
- (q) Payroll cost and other expenses are net of reimbursement from Travel Corporation (India) Limited towards common expenses incurred for Leisure Inbound business aggregating to ₹ 53,957,769.
- (r) 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.

# Schedules forming part of the Financial Statements

## for the year ended 31st December, 2010

### SCHEDULE "Q" : (Contd.)

The forward exchange contracts outstanding as at 31st December, 2010 are as under:

Currency Exchange	AUD/USD	CAD/USD	CHF/USD	EUR/USD	GBP/USD	JPY/USD
(i) Number of buy contracts	– (2)	– (1)	2 (2)	3 (1)	1 (1)	– (1)
(ii) Aggregate Amount (₹)	– (163,220,676)	– (4,434,500)	48,938,625 (13,550,014)	83,650,000 (67,017,500)	107,566,125 (495,412,500)	– (9,066,600)
(iii) Number of sale contracts	7 (6)	1 (3)	4 (2)	26 (19)	13 (14)	5 (4)
(iv) Aggregate Amount (₹)	23,215,311 (97,725,435)	8,956,000 (33,259,208)	35,092,575 (9,033,000)	157,142,500 (163,189,946)	62,113,367 (69,436,215)	29,140,656 (23,677,409)

(figures in brackets pertain to year 2009)

Currency Exchange	NZD/USD	SGD/USD	THB/USD	USD/INR
(i) Number of buy contracts	1 (1)	1 (-)	1 (-)	2 (2)
(ii) Aggregate Amount (₹)	6,077,313 (7,613,438)	1,742,500 (-)	1,482,500 (-)	357,640,000 (814,275,000)
(iii) Number of sale contracts	3 (2)	– (-)	– (-)	14 (20)
(iv) Aggregate Amount (₹)	7,813,688 (4,229,688)	– (-)	– (-)	312,935,000 (581,625,000)

(figures in brackets pertain to year 2009)

- (s) Employees of the Company and other parties misappropriated assets aggregating to ₹ 5,620,000 (Previous Year ₹ 4,987,000) during the year. The Company has recovered Rs 350,000 so far. The cases are under investigation and Company has taken steps for recovering the balance amount.
- (t) During the year ended 31st December, 2009, the Management had reviewed the operations of its various divisions and branches, and based on this review the Management has restructured its businesses/branches and centralised travel operation, thereby incurred a personnel cost of ₹ 79,034,878.
- (u) Previous year figures have been regrouped where necessary.

In terms of our report of even date

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

VASANT GUJARATHI  
Partner  
Membership No. 17866

Mumbai, 17th February, 2011

For and on behalf of the Board

MADHAVAN MENON – Managing Director  
VINAYAK K. PUROHIT – Executive Director – Finance  
RAKSHIT DESAI – Executive Director – Travel Services  
R. R. KENKARE – President & Head – Legal & Company Secretary

Mumbai, 17th February, 2011

# 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	1	0
---	---	---	---

  
 Date Month Year State Code 

1	1
---	---

II. Capital raised during the year (Amount in ₹ Thousands)  
 Public Issue 

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

  
 Bonus Issue 

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

  
 Rights Issue 

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

  
 Private Placement\* 

-	-	-	-	-	3	6	1
---	---	---	---	---	---	---	---

  
 \* Private placement includes equity shares issued under Employees Stock Option Plan.

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)  
 Total Liabilities# 

-	5	0	9	5	0	7	2
---	---	---	---	---	---	---	---

  
 Sources of Funds  
 Paid-up Capital 

-	-	2	1	7	7	2	3
---	---	---	---	---	---	---	---

  
 Secured Loans 

-	-	-	1	9	8	0	4
---	---	---	---	---	---	---	---

  
 Total Assets 

-	5	0	9	5	0	7	2
---	---	---	---	---	---	---	---

  
 Reserves & Surplus 

-	2	8	4	6	1	0	6
---	---	---	---	---	---	---	---

  
 Unsecured Loans 

-	1	9	6	7	5	0	2
---	---	---	---	---	---	---	---

  
 # Total Liabilities includes Deferred Taxation (Net) of ₹ 43,937 thousands.

Application of Funds  
 Net Fixed Assets 

-	-	7	0	8	0	4	0
---	---	---	---	---	---	---	---

  
 Net Current Assets 

-	2	4	1	2	8	8	2
---	---	---	---	---	---	---	---

  
 Accumulated Losses 

-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---

  
 Investments 

-	1	9	7	4	1	5	0
---	---	---	---	---	---	---	---

  
 Miscellaneous Expenditure 

-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---

IV. Performance of Company (Amount in ₹ Thousands)  
 Turnover 

-	2	7	9	2	2	1	7
---	---	---	---	---	---	---	---

  
 Profit/Loss before tax 

-	-	6	3	1	5	2	1
---	---	---	---	---	---	---	---

  
 + - 

✓	
---	--

  
 Total Expenditure 

-	2	2	6	0	6	9	6
---	---	---	---	---	---	---	---

  
 Profit/Loss after tax 

-	-	4	1	5	3	8	1
---	---	---	---	---	---	---	---

  
 + - 

✓	
---	--

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

Earning per Share in ₹ 

-	-	-	1	.	9	6
---	---	---	---	---	---	---

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

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					

For and on behalf of the Board

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, 2010

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>A. Cash flow from operating activities</b>				
Net Profit before Taxation and after Exceptional Item		631,520,683		341,000,245
Adjustments for -				
Depreciation	115,858,189		98,522,855	
Discounting charge for Employee Stock Option	1,789,670		3,711,487	
Interest and Other Finance Expenses (Net of Interest Income)	211,546,670		206,793,265	
Dividend Income	(406,454)		(1,345,712)	
(Profit)/Loss on Sale of Fixed Assets (Net)	(13,278,671)		7,287,333	
Provision for diminution in the value of Long-term Investment	1,270		—	
(Profit) on Redemption of Long-term Investment	(14,098,942)		—	
		301,411,732		314,969,228
Operating profit before working capital changes		932,932,415		655,969,473
Adjustments for -				
Trade and Other Receivables	(536,058,627)		(649,678,596)	
Trade and Other Payables	(145,285,427)		717,479,980	
		(681,344,054)		67,801,384
Cash generated from operations		251,588,361		723,770,857
Direct Taxes paid (Net of refund of taxes)		(168,322,536)		(140,803,764)
		(168,322,536)		(140,803,764)
Net cash from operating activities		83,265,825		582,967,093
<b>B. Cash flow from investing activities</b>				
Purchase of Fixed Assets	(207,990,487)		(135,984,217)	
Sale of Fixed Assets	36,488,485		4,023,674	
Purchase of Investments (Net)	(50,009,015)		—	
Sale of Long-term Investments	15,378,566		—	
Interest Received	1,180,511		1,989,628	
Dividend Received	406,454		1,345,712	
Net cash used in investing activities		(204,545,486)		(128,625,203)
<b>C. Cash flow from financing activities</b>				
Redemption of Preference Shares	—		(1,155,287,671)	
Proceeds from Right issue of Equity Shares (net of expenses)	—		1,775,164,277	
Proceeds from issue of Equity Shares under ESOP	14,103,850		—	
Proceed from/(Repayment of) Borrowings (Net)	296,500,511		(902,973,614)	
Proceeds from Finance Lease (Net)	14,975,566		4,711,244	
Interest and Other Finance Expenses paid	(209,110,587)		(219,717,137)	
Dividend Paid	(79,342,838)		(89,805,583)	
Tax on Dividend Paid	(13,181,661)		(15,265,126)	
Net cash from/(used in) financing activities		23,944,841		(603,173,610)
Net decrease in cash and cash equivalents		(97,334,820)		(148,831,720)
Cash and Cash Equivalents - Opening Balance		1,181,103,997		1,329,935,717
Cash and Cash Equivalents - Closing Balance		1,083,769,177		1,181,103,997

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements, notified under sub-section (3C) of Section 211 of The Companies Act, 1956.
- Previous year figures have been regrouped where necessary.

In terms of our report of even date

For LOVELOCK &amp; LEWES

Firm Registration Number: 301056E

Chartered Accountants

VASANT GUJARATHI

Partner

Membership No. 17866

Mumbai, 17th February, 2011

For and on behalf of the Board

MADHAVAN MENON

VINAYAK K. PUROHIT

RAKSHIT DESAI

R. R. KENKARE

— Managing Director

— Executive Director – Finance

— Executive Director – Travel Services

— President & Head – Legal &  
Company Secretary

Mumbai, 17th February, 2011

# Auditors' Report on the Consolidated Financial Statements of Thomas Cook (India) limited

## The Board of Directors of Thomas Cook (India) Limited

1. We have audited the attached consolidated balance sheet of Thomas Cook (India) Limited (the 'Company') and its subsidiaries; hereinafter referred to as the "Group" (refer Note 1 on Schedule Q to the attached consolidated financial statements) as at 31st December, 2010, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the Sri Lanka branch of the Company whose share, as included in the consolidated financial statements, constitute total assets of ₹ 36,647,421 and net assets of ₹ 29,929,278 as at 31st December, 2010, total revenues of ₹ 56,958,053, net profit of ₹ 16,679,642 and net cash inflows amounting to ₹ 20,527,715 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We did not audit the financial statements of the Thomas Cook (Mauritius) Holding Company Limited, Thomas Cook (Mauritius) Operations Company Limited, Thomas Cook (Mauritius) Travel Limited and Thomas Cook (Mauritius) Holidays Limited whose share, as included in the consolidated financial statements, constitute total assets of ₹ 319,904,801 and net assets of ₹ 216,504,915 as at 30th September, 2010, total revenues of ₹ 99,215,854, net loss of ₹ 20,692,506 and net cash outflows amounting to ₹ 33,768,126 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) – 21, notified under sub-section 3C of Section 211 of the Companies Act, 1956.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st December, 2010;
  - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date: and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants  
VASANT GUJARATHI  
Partner  
Membership No. 17866  
Mumbai, 17th February, 2011

# Consolidated Balance Sheet

## as at 31st December, 2010

	Schedule	As at 31st December, 2010		As at 31st December, 2009	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Capital	A	217,723,349		217,362,219	
Reserves and Surplus	B	3,189,712,591		2,802,512,027	
			3,407,435,940		3,019,874,246
<b>LOAN FUNDS</b>					
Secured Loans	C		23,512,434		7,939,155
Unsecured Loans	D		1,992,090,864		1,692,498,570
<b>DEFERRED TAXATION (NET)</b>					
Deferred Tax Liability	E	130,265,177		76,859,432	
Less: Deferred Tax Assets		53,926,833		47,564,256	
			76,338,344		29,295,176
	Total		<u>5,499,377,582</u>		<u>4,749,607,147</u>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	F	3,254,721,422		2,942,022,942	
Less: Depreciation		845,763,650		774,341,007	
Net Block		2,408,957,772		2,167,681,935	
Capital work-in-progress (including capital advances)		65,618,912		23,907,885	
			2,474,576,684		2,191,589,820
INVESTMENTS	G		155,771,917		356,122,969
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Sundry Debtors	H	2,224,963,486		2,071,130,724	
Cash and Bank Balances	I	1,601,037,810		1,501,141,471	
Loans and Advances	J	1,440,141,435		1,086,678,927	
		5,266,142,731		4,658,951,122	
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>					
Liabilities	K	2,279,336,742		2,306,385,439	
Provisions	L	117,777,008		150,671,325	
		2,397,113,750		2,457,056,764	
Net Current Assets			2,869,028,981		2,201,894,358
	Total		<u>5,499,377,582</u>		<u>4,749,607,147</u>
Notes to the Consolidated Financial Statements	Q				
Schedules "A" to "L" and "Q" referred to above					
form an integral part of the Balance Sheet.					

In terms of our report of even date

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

VASANT GUJARATHI  
Partner  
Membership No. 17866

Mumbai, 17th February, 2011

For and on behalf of the Board

MADHAVAN MENON  
VINAYAK K. PUROHIT  
RAKSHIT DESAI  
R. R. KENKARE

– Managing Director  
– Executive Director – Finance  
– Executive Director – Travel Services  
– President & Head – Legal & Company Secretary

Mumbai, 17th February, 2011

# Consolidated Profit and Loss Account

## for the year ended 31st December, 2010

	Schedule	Year ended 31st December, 2010 Rupees      Rupees		Year ended 31st December, 2009 Rupees      Rupees	
<b>INCOME</b>					
Revenue [Refer Note 3(h) of Schedule “Q”]		3,179,542,263		2,652,004,994	
Less: Prior Period items [Refer Note 3(i) of Schedule “Q”]		75,841,212		—	
			3,103,701,051		2,652,004,994
Other Income	M		295,273,381		94,297,947
			3,398,974,432		2,746,302,941
<b>EXPENDITURE</b>					
Personnel Cost	N	1,290,299,496		1,072,608,830	
Advertisement and Business Promotion		206,019,708		112,786,080	
Other Expenses	O	920,655,409		829,510,898	
Interest and Other Finance Expenses (Net of interest income)	P	210,690,280		210,093,499	
Depreciation	F	135,041,975		116,443,449	
			2,762,706,868		2,341,442,756
<b>PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEM</b>			636,267,564		404,860,185
Add: Exceptional Item [Refer Note 3(k) of Schedule “Q”]			100,000,000		—
<b>PROFIT AFTER EXCEPTIONAL ITEM AND BEFORE TAXATION</b>			736,267,564		404,860,185
Provision for Taxation					
Current Tax		242,365,360		133,662,752	
MAT Entitlement credit [Refer Note 3(o) of Schedule “Q”]		(24,870,115)		—	
Short Provision of Income Tax for earlier years		—		3,852,563	
Short/(Excess) Provision of Fringe Benefit Tax for earlier years		—		(55,000)	
Fringe Benefit Tax		—		2,437,083	
Deferred Tax		47,162,698		14,847,155	
			264,657,943		154,744,553
<b>NET PROFIT AFTER TAXATION</b>			471,609,621		250,115,632
Add: Transfer from Reserve created under Section 80HHD of the Income-tax Act, 1961			15,000,000		15,000,000
			486,609,621		265,115,632
Balance brought forward from previous year			1,029,606,280		880,397,131
			1,516,215,901		1,145,512,763
<b>APPROPRIATIONS</b>					
Transfer to General Reserve		41,538,102		22,164,745	
Dividend for the previous year paid during the year		73,185		—	
Corporate Dividend Tax for the Previous year and paid during the year		12,155		—	
Proposed Dividend on Equity Shares		79,427,887		79,292,463	
Dividend on Preference Shares		—		832,046	
Proposed Dividend on Preference Shares		59		59	
Corporate Dividend Tax		13,191,989		13,617,170	
Balance carried to Balance Sheet		1,381,972,524		1,029,606,280	
		1,516,215,901		1,145,512,763	
Earnings per Share - Basic		2.23		1.19	
Earnings per Share - Diluted		2.17		1.16	
[₹ per Equity Share of ₹ 1 each] [Refer Note 3(g) of Schedule “Q”]					
Notes to the Consolidated Financial Statements Schedules “F” and “M” to “Q” referred to above form an integral part of the Profit and Loss Account.	Q				

In terms of our report of even date

For and on behalf of the Board

For LOVELOCK &amp; LEWES

Firm Registration Number: 301056E

Chartered Accountants

VASANT GUJARATHI

Partner

Membership No. 17866

Mumbai, 17th February, 2011

MADHAVAN MENON

VINAYAK K. PUROHIT

RAKSHIT DESAI

R. R. KENKARE

Mumbai, 17th February, 2011

— Managing Director

— Executive Director – Finance

— Executive Director – Travel Services

— President & Head – Legal &  
Company Secretary

# Schedules forming part of the Consolidated Balance Sheet

## as at 31st December, 2010

	As at 31st December, 2010 Rupees	As at 31st December, 2009 Rupees
<b>SCHEDULE "A" : CAPITAL</b>		
Authorised		
345,827,060 Equity Shares of ₹1 each	345,827,060	345,827,060
114,760,000 'Class A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10 each	1,147,600,000	1,147,600,000
355,294 'Class B' 0.001% Cumulative Convertible/Redeemable Preference Shares of ₹ 10 each	3,552,940	3,552,940
302,000 'Class C' 0.001% Cumulative Convertible/Redeemable Preference Shares of ₹ 10 each	3,020,000	3,020,000
125,000,000 1% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10 each	1,250,000,000	1,250,000,000
	<b>2,750,000,000</b>	<b>2,750,000,000</b>
Issued and Subscribed		
211,807,699 ( <i>Previous Year 211,446,569</i> ) Equity Shares of ₹ 1 each fully paid-up [118,125,000 Equity Shares are held by the holding company, TCIM Limited, UK] [45,346,449 Equity Shares are held by Thomas Cook UK Limited, the Holding Company of TCIM Limited, UK]	211,807,699	211,446,569
319,765 'Class B' 0.001% Cumulative Convertible/Redeemable Preference Shares of ₹ 10 each	3,197,650	3,197,650
271,800 'Class C' 0.001% Cumulative Convertible/Redeemable Preference Shares of ₹ 10 each	2,718,000	2,718,000
	<b>217,723,349</b>	<b>217,362,219</b>
Of the above:		
(a) 2,799,930 shares were allotted pursuant to a contract without payment being received in cash.		
(b) 138,833,330 shares were allotted as fully paid-up bonus shares by capitalisation of General Reserve and Capital Reserve.		
(c) Following shares allotted to the erstwhile shareholders of LKP Forex Limited pursuant to its merger with the Company effective 1st April, 2006		
(i) 319,765 'Class B' 0.001% Cumulative Convertible/Redeemable Preference Shares of ₹ 10 each		
(ii) 271,800 'Class C' 0.001% Cumulative Convertible/Redeemable Preference Shares of ₹ 10 each		
(iii) 14,949,000 Equity Shares of ₹ 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, 2010 are 4,926,478 ( <i>Previous Year 3,976,725</i> ). Of these 205,667 ( <i>Previous Year 271,500</i> ) options have vested in 2008, 462,500 ( <i>Previous Year 636,000</i> ) options have vested in 2009, 857,605 ( <i>Previous Year 1,325,575</i> ) options have vested in 2010, 1,153,396 ( <i>Previous Year 1,054,075</i> ) will vest in 2011, 896,563 ( <i>Previous Year 689,575</i> ) will vest in 2012 and 1,350,747 ( <i>Previous Year Nil</i> ) will vest in 2013. During the Year 361,130 ( <i>Previous Year Nil</i> ) options were exercised.		

# Schedules forming part of the Consolidated Balance Sheet

## as at 31st December, 2010

	As at 31st December, 2010		As at 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "B" : RESERVES AND SURPLUS</b>				
Reserve as required under Section 80HHD of the Income-tax Act, 1961				
Balance as per last Balance Sheet	15,000,000		30,000,000	
Less: Transfer to Profit and Loss Account	15,000,000		15,000,000	
		–		15,000,000
General Reserve				
Balance as per last Balance Sheet	130,438,938		108,274,193	
Add: Transfer from Profit and Loss Account	41,538,102		22,164,745	
		171,977,040		130,438,938
Foreign currency translation Reserve		(7,236,172)		–
Profit and Loss Account		1,381,972,524		1,029,606,280
Share Premium				
Opening balance	1,620,094,498		868,591	
Add: Premium on Right issue of Equity Shares	–		1,747,449,115	
Add: Premium on Issue of Equity Shares under Employee Stock Option Plan	13,742,720		–	
Add: Transfer from Employee Stock Option Plan	741,197		–	
Less: Right Issue Expenses	–		22,935,537	
Less: Premium on redemption of Preference Shares	–		105,287,671	
Closing Balance		1,634,578,415		1,620,094,498
Employee Stock Options				
Opening Employee Stock Options Outstanding	7,372,311		3,660,824	
Add: Charge to Profit and Loss Account	1,789,670		3,711,487	
Less: Transferred to Share Premium Account	741,197		–	
Closing Employee Stock Options Outstanding		8,420,784		7,372,311
		3,189,712,591		2,802,512,027
<b>SCHEDULE "C" : SECURED LOANS</b>				
Finance Lease Liability		23,512,434		7,939,155
(Obligations under finance lease are secured against fixed assets acquired under finance lease arrangements)				
		23,512,434		7,939,155
<b>SCHEDULE "D" : UNSECURED LOANS</b>				
Short-term Loan from Banks		1,696,604,508		1,416,864,484
Bank Overdrafts		295,486,356		275,634,086
		1,992,090,864		1,692,498,570
<b>SCHEDULE "E" : DEFERRED TAXATION (NET)</b>				
Deferred Tax Liability				
On Fiscal Allowance on Fixed Assets		130,265,177		76,859,432
Less: Deferred Tax Assets				
On Provisions Allowable for tax purposes when paid	11,092,705		14,736,472	
On Provision for Doubtful Debts and Advances	29,400,953		27,851,388	
On Unabsorbed Business Losses	12,460,515		–	
On Unamortised Expenditure	972,660		4,976,396	
		53,926,833		47,564,256
		76,338,344		29,295,176

# Schedules forming part of the Consolidated Balance Sheet as at 31st December, 2010

## SCHEDULE "F" : FIXED ASSETS

Description	Gross Block (at cost)				Depreciation/Amortisation				Net Block	
	As at 01.01.2010	Additions	Deductions	Translation Exchange Difference	As at 31.12.2010	For the year	On Deduc- tions	Translation Exchange Difference	As at 31.12.2010	As at 31.12.2009
(Rupees)										
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	1,453,969,274
Software	341,765,260	42,811,307	—	(111,611)	384,464,956	62,262,301	—	(39,593)	264,391,145	139,596,823
Tangible Assets										
Leasehold Properties	45,775,369	12,500,000	4,242,711	—	54,032,658	3,826,151	2,583,615	—	37,999,147	9,018,758
Freehold Properties	283,307,990	223,105,953	27,509,499	—	478,904,444	6,026,056	8,185,869	—	71,785,130	209,363,047
Strong Room	692,425	—	—	—	692,425	15,773	—	—	616,319	91,879
Furniture and Fittings	282,305,914	57,373,075	23,438,004	(653,566)	315,587,419	17,136,264	12,710,300	(123,385)	120,770,026	165,838,467
Computers	254,635,121	27,937,230	21,149,716	(238,040)	261,184,595	24,924,548	20,888,000	(212,248)	215,008,941	43,450,480
Office Equipment	219,879,201	34,229,971	20,628,381	1,162,922	234,643,713	14,490,306	11,043,497	(9,979)	88,204,105	135,111,926
Vehicles	50,861,219	19,450,020	9,200,865	1,300,395	62,410,769	6,360,576	7,959,195	136,349	38,157,668	11,241,281
Total	2,942,022,942	417,407,556	106,169,176	1,460,100	3,254,721,422	135,041,975	63,370,476	(248,856)	845,763,650	2,167,681,935
Previous Year	2,862,889,731	164,473,055	85,339,844	—	2,942,022,942	116,443,449	63,337,461	—	774,341,007	2,167,681,935

### Notes:

- Intangible Assets are other than internally generated.
- Cost of Freehold Properties includes:
  - 130 (Previous Year 155) unquoted fully paid-up Shares of ₹ 6,500 (Previous Year ₹ 8,000) in various Co-operative Societies.
  - Share application money of ₹ 2,040 to various Co-operative Societies.
  - Premises of ₹ 207,114,753 (Previous Year ₹ 12,098,500) on freehold land where the Company is yet to be registered as the owner of a proportionate share in land.
  - Premises of ₹ 163,506,670 where the Co-operative Society is yet to be formed.
  - ₹ 12,100,000 being cost of 65 Debentures of the face value for ₹ 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 ₹ 100 each of R.R. Investments and Estates Ltd.
- Gross block and Net block of assets includes assets acquired under Finance Leases as follows:
  - Vehicles ₹ 25,821,792 (Previous Year ₹ 7,376,206) and ₹ 19,340,904 (Previous Year ₹ 3,151,639) respectively.
  - Computer hardware ₹ 3,053,425 (Previous Year ₹ 3,053,425) and ₹ 1,832,055 (Previous Year ₹ 2,595,411) respectively.
  - Computer software ₹ 2,040,754 (Previous Year ₹ 2,040,754) and ₹ 1,224,453 (Previous Year ₹ 1,734,641) respectively.



# Schedules forming part of the Consolidated Balance Sheet

## as at 31st December, 2010

	As at 31st December, 2010		As at 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "G" : INVESTMENTS</b>				
(Unquoted unless otherwise stated)				
Current Investments				
In Treasury Bills of Government of Mauritius - Trade	34,798,118		33,844,592	
1 Unit of Face Value of MUR 24,800,000 ( <i>Previous Year MUR 23,200,000</i> )				
In fully paid-up Units of Mutual Funds - Non Trade				
- Nil ( <i>Previous Year - 18,216,580</i> ) Units of ₹ 10 each of LIC Mutual Fund Liquid Fund - Daily Dividend Plan.	—		200,019,872	
- Nil ( <i>Previous Year - 11,977,926</i> ) Units of ₹ 10 each of Birla Cash Plus - Instl. Prem. - Daily Dividend - Reinvestment.	—		120,012,827	
- 6,134,969,325 ( <i>Previous Year - Nil</i> ) Units of ₹ 10 each of IDFC Mutual Fund Cash Fund.	70,000,000		—	
- 2,985,559 ( <i>Previous Year - Nil</i> ) Units of ₹ 10 each of SBI Insta Cash Fund - Daily Dividend Option.	50,009,015		—	
		154,807,133		353,877,291
Long-term (at cost)				
In fully paid-up Ordinary Shares - Trade				
- Nil ( <i>Previous Year - 393,662</i> ) fully paid-up Ordinary Shares of SLR 10 each of Tangerine Beach Hotel Limited - Quoted		—		1,279,624
- 676 fully paid-up Class C (Series I) Common Stock of USD 0.0001 each of Visa Inc.		962,589		962,589
In fully paid-up Ordinary Shares - Non Trade				
- 10 fully paid-up Equity Shares of ₹ 10 each of JIK Industries Limited (Quoted)		18,000		18,000
- 100 fully paid-up Equity Shares of ₹ 10 each of Weizmann Limited (Quoted)		2,000		2,000
		155,789,722		356,139,504
Less: Provision for diminution in value of investment		17,805		16,535
		155,771,917		356,122,969
Aggregate amount of Quoted Investments		2,195		1,283,089
Aggregate amount of Unquoted Investments		155,769,722		354,839,880
		155,771,917		356,122,969
Aggregate Market Value of Quoted Investments		2,195		10,133,539

# Schedules forming part of the Consolidated Balance Sheet

## as at 31st December, 2010

	As at 31st December, 2010		As at 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "H" : SUNDRY DEBTORS</b>				
Unsecured, Considered Good				
Outstanding exceeding six months	149,974,718		86,796,514	
Others	2,074,988,768		1,984,334,210	
		2,224,963,486		2,071,130,724
Unsecured, Considered Doubtful				
Outstanding exceeding six months	83,652,762		64,139,768	
Less: Provision for Doubtful Debts	83,652,762		64,139,768	
		—		—
		<u>2,224,963,486</u>		<u>2,071,130,724</u>
<b>SCHEDULE "I" : CASH AND BANK BALANCES</b>				
Cash and Cheques on Hand		534,718,005		400,850,740
(including Foreign Currencies - Notes and paid documents)				
Remittances in Transit		285,132,729		377,076,431
(including Foreign Currencies - Notes and paid documents)				
Balances with Scheduled Banks				
on Current Accounts	366,738,476		108,866,790	
on Deposit Accounts	243,832,672		56,975,664	
[Of the above, ₹ 14,000,949 (Previous Year - ₹ 13,715,664) on lien with various authorities]		610,571,148		165,842,454
Balances with Non-Scheduled Banks				
On Current Accounts				
Bank of America, Singapore	—		5,421,579	
Deutsche Bank Trust Company Americas, New York, USA	—		233,284,962	
Deutsche Bank AG, Frankfurt, Germany	12,579,529		154,785,506	
Bank of Nova Scotia, Toronto, Canada	—		5,305,212	
ANZ National Bank Limited, Wellington, New Zealand	4,678,048		1,046,435	
ANZ National Bank Limited, Melbourne, Australia	979,333		—	
Bank of America, Bangkok, Thailand	1,740,908		—	
Lloyds Bank, London, United Kingdom	1,234,327		1,443,429	
JP Morgan Chase Bank, New York, USA	2,467,610		1,945,837	
AfrAsia Bank Limited, Mauritius	668,580		605,168	
Bank One, Mauritius	187,875		685,769	
Bramer Bank, Mauritius	36,616,579		8,698,767	
HSBC Bank, Mauritius	2,769,810		1,197,249	
Barclays Bank, Mauritius	5,082,471		28,283,482	
State Bank, Mauritius	11,247,625		314,651	
MCB, Mauritius	59,532,632		85,660,458	
IOIB, Mauritius	1,185,745		4,903,589	
MPCB, Mauritius	—		257,398	
Banque Des Mascareignes Bank, Mauritius	278,310		4,678,178	
Deutsche Bank, Frankfurt, Germany	8,254,255		1,462,937	
Deutsche Bank, London, UK	3,442,242		825,388	
Deutsche Bank, New York, USA	347,804		14,717,982	
Commercial Bank, Colombo, Sri Lanka	130,890		—	
Standard Chartered Grindlays Bank, Colombo, Sri Lanka	15,762,185		11,093	
NDB Bank, Colombo, Sri Lanka	15,790		13,515	
	169,202,548		555,548,584	
On Deposit Accounts				
NDB Bank, Colombo, Sri Lanka	1,413,380		1,823,262	
		170,615,928		557,371,846
		<u>1,601,037,810</u>		<u>1,501,141,471</u>

# Schedules forming part of the Consolidated Balance Sheet

## as at 31st December, 2010

	As at 31st December, 2010 Rupees	As at 31st December, 2009 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	1,170,300,695	748,695,566
Considered Doubtful	5,273,797	5,273,797
	1,175,574,492	753,969,363
Less: Provision for Doubtful Advances	5,273,797	5,273,797
	1,170,300,695	748,695,566
Advance Tax (Net of Provisions)	244,970,625	337,983,361
MAT Entitlement Credit [Refer Note 3(o) of Schedule "Q"]	24,870,115	—
	<u>1,440,141,435</u>	<u>1,086,678,927</u>
<b>SCHEDULE "K" : LIABILITIES</b>		
Sundry Creditors*	1,821,106,090	1,972,417,834
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)	402,918,229	287,754,852
Unpaid Dividend@	2,118,436	2,095,567
Interest accrued but not due	7,716,918	4,080,960
Fractional Entitlement on Bonus Shares Refund Accounts	49,066	49,066
Other Liabilities	40,626,003	35,185,160
	<u>2,279,336,742</u>	<u>2,306,385,439</u>
*Includes Book Overdrafts aggregating to ₹ 264,380,958 (Previous Year ₹ 867,515,925)		
@There is no amount due and outstanding to be credited to Investor Education and Protection Fund.		
<b>SCHEDULE "L" : PROVISIONS</b>		
Proposed Dividend	79,427,887	79,292,463
Proposed Preference Dividend	59	59
Corporate Dividend Tax	13,498,247	13,475,764
Provision for Leave Encashment	3,597,949	19,698,495
Provision for Gratuity	20,843,188	37,794,866
Provision for Fringe Benefit Tax [Net of Advance tax ₹ 15,235,431 (Previous Year ₹ 15,235,431)]	409,678	409,678
	<u>117,777,008</u>	<u>150,671,325</u>

## Schedules forming part of the Consolidated Profit and Loss Account for the year ended 31st December, 2010

	Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees
<b>SCHEDULE "M" : OTHER INCOME</b>		
Dividend on Current Investments - Non-Trade	1,310,878	1,637,671
Rent	169,286	959,702
Profit on Sale of Fixed Assets (Net)	142,626,864	—
Exchange Variation (Net) other than in the normal course of business as Foreign Exchange Authorised Dealers	13,629,502	—
Profit on Redemption of Long-term Investment	14,098,942	—
Liabilities no longer required written back	70,599,045	65,887,069
Recovery of Expenses	43,635,535	22,330,338
Miscellaneous Income	9,203,329	3,483,167
	<u>295,273,381</u>	<u>94,297,947</u>
<b>SCHEDULE "N" : PERSONNEL COST</b>		
Salaries, Wages and Bonus*	1,062,102,915	953,703,100
Contribution to Provident and Other Funds	56,262,701	53,482,733
Premium on/ Provision/ (Write back) for Gratuity-cum-Life Assurance Policy	12,129,329	(1,045,390)
Staff Welfare Expenses	55,850,850	39,094,098
Staff Training, Recruitment and Other Costs	22,177,392	10,396,617
Incentive/Commission to Staff and Directors	81,776,309	16,977,672
	<u>1,290,299,496</u>	<u>1,072,608,830</u>
* Includes ₹ 1,789,670 (Previous Year - ₹ 3,711,487) 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, 2010

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "O" : OTHER EXPENSES</b>				
Rent		208,458,569		208,958,838
Rates and Taxes		7,634,974		6,752,234
Insurance		12,593,964		14,331,569
Repairs and Maintenance				
Buildings	639,343		885,693	
Others	74,102,205		66,695,252	
		74,741,548		67,580,945
Electricity		46,012,955		46,099,489
Printing and Stationery		23,696,701		20,583,541
Postage, Telegrams, Telex and Telephones		115,526,722		87,696,138
Freight Currency Shipment		22,513,736		23,233,028
Legal and Professional Charges		143,156,693		109,817,821
Auditors' Remuneration				
Audit Fees	7,051,472		7,054,047	
Reports under the provisions of the Income-tax Act, 1961	3,775,000		3,777,575	
Miscellaneous Reports	246,000		71,000	
Reimbursement of Expenses	158,096		213,495	
	11,230,568		11,116,117	
Branch Auditors' Remuneration - Audit Fees	430,533		373,580	
		11,661,101		11,489,697
Travelling and Conveyance		115,328,495		78,205,728
Directors' Fees		1,671,819		1,696,290
Security Services		29,230,099		24,716,477
Vehicle Running and Maintenance		28,756,856		32,287,305
Licence Fees		22,250,197		22,023,037
Loss on Sale of Fixed Assets (Net)		—		13,941,504
Bad Debts and advances written off		33,622		60,928,008
Provision/(Write back) for Doubtful Debts and Advances (Net)		19,513,022		(32,282,334)
Provision for diminution in the value of Long-term Investment		1,270		—
Donations		7,500		25,000
Exchange Variation (Net) other than in the normal course of business as Authorised Foreign Exchange Dealers		—		5,191,257
Miscellaneous Expenses		37,865,566		26,235,326
		<u>920,655,409</u>		<u>829,510,898</u>
<b>SCHEDULE "P" : INTEREST AND OTHER FINANCE EXPENSES</b>				
<b>INTEREST</b>				
Short-term Loans from Banks	125,621,975		130,514,233	
Bank Overdrafts	26,384,414		18,824,439	
Others	6,549,790		2,806,393	
	158,556,179		152,145,065	
Other Finance Expenses	63,349,243		63,020,800	
		221,905,422		215,165,865
Less: Interest Income				
On Deposits with Banks (Gross) [Tax Deducted at Source ₹ 113,795 (Previous Year - ₹ 562,245)]	4,258,015		3,214,367	
Income Tax refund	6,711,328		—	
Others	245,799		1,857,999	
		11,215,142		5,072,366
		<u>210,690,280</u>		<u>210,093,499</u>

# Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2010

## SCHEDULE "Q" : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Basis of Consolidation

The consolidated financial statements of Thomas Cook (India) Limited (the Company), and its domestic and foreign subsidiary companies are prepared in accordance with Accounting Standard (AS) - 21 on Consolidated Financial Statements, as per the Companies (Accounting Standard) Rules, 2006. All inter-company balances and transactions have been eliminated.

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

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

\* The accounting year for these Companies is October to September, hence these Companies are consolidated for the period 1st October, 2009 to 30th September, 2010. There are no significant transactions or other events from 1st October, 2010 to 31st December, 2010. There is no change in Company's interest in these subsidiaries from 1st October, 2010 to 31st December, 2010.

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

### 2. Significant Accounting Policies

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

- (a) Basis of Accounting

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

- (b) Fixed Assets and Depreciation

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

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

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

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

- (c) (i) Foreign Currency Transactions

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

# Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2010

## SCHEDULE "Q" : (Contd.)

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

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

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

### (ii) Foreign Branch and Subsidiaries

In the case of foreign branch, being Integral operations, revenue items except depreciation are translated at average rate, depreciation is translated at the rates used for the translation of respective fixed assets. All monetary assets and liabilities are translated at the closing exchange rates and non monetary assets are translated at the exchange rates prevailing on the date of the transaction.

In the case of foreign subsidiaries, being Non-integral operations, revenue items are translated at average rate. All assets and liabilities are translated at the closing exchange rates. Any exchange difference arising on consolidation is recognised in the "Foreign Currency Translation Reserve".

### (d) Investments

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

### (e) Employee Benefits

#### (a) Defined Contribution Plans

The Company has Defined Contribution Plans for post employment benefits in the form of Provident Fund and Superannuation schemes. Contributions to Defined Contribution schemes such as Provident Fund and Superannuation schemes are charged to the Profit and Loss Account as incurred. Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The remaining contributions are made to a government administered Provident Fund towards which the Company has no further obligations beyond its monthly contributions. The contribution to Superannuation scheme is based on the premium contribution called for by Life Insurance Corporation of India (LIC) with whom the Company has entered into an agreement for its Indian operations.

#### (b) Defined Benefit Plans

The Company has Defined Benefit Plans for post employment benefits in the form of Gratuity. Contribution to gratuity is based on the premium contribution called for by the Life Insurance Corporation of India (LIC) and Tata AIG Life Insurance Company Limited with whom the Company has entered into an agreement for its Indian operations. Any short fall/excess based on independent actuarial valuation is accounted for in the relevant period.

The employees of the Company are entitled to Leave benefits as per the policy of the Company. Provision towards accrued leave is made based on actuarial valuation done by independent actuaries for the accumulated unutilised leave balances of the employees at the year-end.

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

### (f) Employee Stock Option Plan

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

### (g) Revenue

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

# Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2010

## 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 Financial Statements

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 13,213,038 (*Previous Year ₹ 5,523,432*)

	As at 31st December, 2010 Rupees	As at 31st December, 2009 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
- Various Miscellaneous Claims	420,722	601,420
(ii) Disputed Income Tax Demands	148,608,045	208,634,520
(iii) Disputed Service Tax Demands	931,398,693	310,761,671
(iv) Disputed Demand for increase in rent raised by Brihanmumbai Municipal Corporation	41,346,200	37,211,580
(v) Disputed Value Added Tax Demands	3,182,594	—

Note:

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

- (c) The tax year for the Company being the year ending 31st March, the provision for taxation for the year is the aggregate of the provision made for the three months ended 31st March, 2010 and the provision based on the figures for the remaining nine months up to 31st December, 2010, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2010 to 31st March, 2011.
- (d) Segment information is provided so that the users of these financial statements can appreciate the diverse nature of the businesses carried out by Thomas Cook (India) Limited and its subsidiary companies.

### (i) Business Segments

- |                               |  |
|-------------------------------|--|
| - Financial services          | Include wholesale purchase and sale of foreign currencies and paid documents   |
| - Travel and related services | Include retail purchase and sale of foreign currencies and paid documents, tour operations, travel management and travel insurance |

### (ii) Geographical Segments

- |                     |  |
|---------------------|--|
| - India             | Include revenue from customers within India  |
| - Rest of the world | Include revenue from customers outside India |



# Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2010

SCHEDULE "Q" : (Contd.)		Year ended 31st December, 2010		Year ended 31st December, 2009	
		Rupees	Rupees	Rupees	Rupees
(I)	Information in respect of Primary Segments				
(a)	Segment Revenue				
	Financial Services		383,761,973		417,036,714
	Travel and Related Services		2,719,939,078		2,234,968,280
			<u>3,103,701,051</u>		<u>2,652,004,994</u>
(b)	Segment Result				
	Financial Services	195,928,702		257,375,191	
	Travel and Related Services	1,122,769,235		767,027,024	
			1,318,697,937		1,024,402,215
	Less: Interest and other finance expenses	210,690,280		210,093,499	
	Other Common Expenses	471,740,093		409,448,531	
			682,430,373		619,542,030
	Profit before Taxation and Exceptional item		<u>636,267,564</u>		<u>404,860,185</u>
(c)	Other Information				
(i)	Segment Assets				
	Financial Services	1,212,784,466		1,129,928,659	
	Travel and Related Services	4,538,703,283		4,284,594,461	
			5,751,487,749		5,414,523,120
	Add: Common Assets		2,145,003,583		1,792,140,791
			<u>7,896,491,332</u>		<u>7,206,663,911</u>
(ii)	Segment Liabilities				
	Financial Services	132,569,566		146,832,220	
	Travel and Related Services	2,263,673,254		2,289,611,372	
			2,396,242,820		2,436,443,592
	Add: Common Liabilities		2,092,812,572		1,750,346,073
			<u>4,489,055,392</u>		<u>4,186,789,665</u>
(iii)	Segment Capital Employed (Segment Assets less Segment Liabilities)				
	Financial Services	1,080,214,900		983,096,439	
	Travel and Related Services	2,275,030,029		1,994,983,089	
			3,355,244,929		2,978,079,528
	Add: Common Capital Employed		52,191,011		41,794,718
			<u>3,407,435,940</u>		<u>3,019,874,246</u>
(iv)	Capital Expenditure				
	Financial Services	57,819,055		42,722,188	
	Travel and Related Services	201,458,286		109,921,574	
			259,277,341		152,643,762
	Add: Common Capital Expenditure		158,130,215		11,829,293
			<u>417,407,556</u>		<u>164,473,055</u>
(v)	Depreciation/Amortisation				
	Financial Services	23,155,729		27,379,693	
	Travel and Related Services	98,639,845		79,103,616	
			121,795,574		106,483,309
	Add: Common Depreciation and Amortisation		13,246,401		9,960,140
			<u>135,041,975</u>		<u>116,443,449</u>

(e) Related Party Disclosures

- TCIM Limited, UK holds 55.77% of Equity Shares of the Company. Thomas Cook UK Limited, the Holding Company of TCIM Limited, UK owns 21.41% of Equity Shares of the Company. Thomas Cook UK Limited is a step down subsidiary of Thomas Cook Group plc, the ultimate holding company.

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

- (i) Fellow Subsidiaries

Thomas Cook Tour Operations Limited, UK  
Thomas Cook AG, Germany  
Thomas Cook Northern Europe  
Thomas Cook Signature Limited, UK  
Thomas Cook Reisen, Germany  
Neckermann Reisen, Germany  
Thomas Cook Overseas Limited, Egypt

- (ii) Key Management Personnel

Madhavan Menon  
Vinayak K. Purohit  
Rakshit Desai  
Amitabh Pandey  
Dr. Prasanth Nair  
R. R. Kenkare  
Lili Menon

- (iii) Relative of Key Management Personnel

# Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2010

## SCHEDULE "Q" : (Contd.)

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

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
(i) Holding Company				
License Fees				
Thomas Cook UK Limited		19,148,800		19,001,100
Reimbursement of Expenses				
Thomas Cook UK Limited		11,884,487		—
Dividend Remitted				
TCIM Limited, UK		44,296,875		44,296,875
Thomas Cook UK Limited		17,004,918		17,004,918
(ii) Fellow Subsidiaries				
Sale of Services*				
Thomas Cook Tour Operations Limited, UK	330,760,671		424,296,845	
Thomas Cook AG, Germany	38,808,025		39,606,095	
Thomas Cook, Northern Europe	46,531,161		73,420,247	
Others	29,397,387		23,905,725	
		445,497,244		561,228,912
Services Availed#				
Thomas Cook Overseas Limited, Egypt		14,646,111		14,095,206
Outstanding Receivables				
Thomas Cook Tour Operations Limited, UK	15,977,178		13,881,452	
Thomas Cook AG, Germany	6,743,941		2,890,347	
Thomas Cook, Northern Europe	13,531,774		16,956,432	
Others	4,903,133		4,009,963	
		41,156,026		37,738,194
Outstanding Payables				
Thomas Cook Overseas Limited, Egypt		7,090,258		5,153,151
*Sale value of transactions				
#Purchase value of transactions				
(iii) Key Management Personnel				
Remuneration#				
Madhavan Menon	16,878,705		15,621,727	
Vinayak K. Purohit	15,272,281		13,484,098	
Rakshit Desai	25,201,185		23,568,159	
Amitabh Pandey	5,408,647		6,308,167	
Dr. Prasanth Nair	5,626,946		5,633,043	
R. R. Kenkare	7,161,550		7,850,856	
Nalini Gupta	—		13,227,350	
Parag Mehta	—		5,209,494	
		75,549,314		90,902,894
#Gratuity is contributed for the Company as a whole and hence excluded.				
(iv) Relative of Key Management Personnel				
Rent Expense				
Lili Menon		1,926,000		1,926,000
Balance as at the year end -				
Deposit Receivable				
Lili Menon		16,500,000		16,500,000

# Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2010

SCHEDULE "Q" : (Contd.)	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
(f) Disclosures for Leases				
(A) Finance Leases				
(i) Minimum Lease Payments payable				
- Not later than one year		8,255,661		2,206,414
- Later than one year but not later than five years		20,024,836		7,401,979
		<u>28,280,497</u>		<u>9,608,393</u>
(ii) Present Value of Minimum Lease Payments payable				
- Not later than one year		6,100,952		1,553,427
- Later than one year but not later than five years		17,411,482		6,385,728
		<u>23,512,434</u>		<u>7,939,155</u>
(iii) Reconciliation of Minimum Lease Payments and their Present Value				
- Minimum Lease Payments Payable as per (i) above		28,280,497		9,608,393
- Less: Finance Charges to be recognised in subsequent years		<u>4,768,063</u>		<u>1,669,239</u>
- Present Value of Minimum Lease Payments payable as per (ii) above		<u>23,512,434</u>		<u>7,939,154</u>
(iv) Finance Charges recognised in the Profit and Loss Account		5,098,706		494,599
(B) Operating Leases				
Disclosures in respect of agreements for office and residential premises taken on lease				
(i) Lease payments recognised in the Profit and Loss Account		241,153,078		236,790,680
(ii) Significant leasing arrangements				
- The Company has given refundable interest free security deposits under certain agreements.				
- The lease agreements are for a period of eleven months to ninety years.				
- The lease agreements are cancellable at the option of either party by giving one month to six months' notice.				
- Certain agreements provide for increase in rent.				
- Some of the agreements contain a provision for their renewal.				
(iii) Future minimum lease payments under non-cancellable agreements				
- Not later than one year		28,388,396		25,843,607
- Later than one year and not later than five years		35,382,667		27,347,265
- Later than five years		2,028,619		2,145,771

# Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2010

SCHEDULE "Q" : (Contd.)	Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees															
<p>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:</p> <table> <tr> <td>Profit attributable to Equity Shareholders *</td><td>471,609,552</td><td>249,142,125</td></tr> <tr> <td>Weighted average number of shares - Basic</td><td>211,669,810</td><td>208,671,188</td></tr> <tr> <td>Weighted average number of shares - Diluted</td><td>218,681,261</td><td>215,629,197</td></tr> <tr> <td>Basic Earnings per Share (₹ per Equity Share of ₹ 1 each)</td><td>2.23</td><td>1.19</td></tr> <tr> <td>Diluted Earnings per Share (₹ per Equity Share of ₹ 1 each)</td><td>2.17</td><td>1.16</td></tr> </table> <p>* Dividend amounting to ₹ 69 (Previous Year ₹ 973,507) (including Corporate Dividend Tax) on Preference shares outstanding during the year has been considered in determining the EPS for the year ended 31st December, 2010.</p>	Profit attributable to Equity Shareholders *	471,609,552	249,142,125	Weighted average number of shares - Basic	211,669,810	208,671,188	Weighted average number of shares - Diluted	218,681,261	215,629,197	Basic Earnings per Share (₹ per Equity Share of ₹ 1 each)	2.23	1.19	Diluted Earnings per Share (₹ per Equity Share of ₹ 1 each)	2.17	1.16		
Profit attributable to Equity Shareholders *	471,609,552	249,142,125															
Weighted average number of shares - Basic	211,669,810	208,671,188															
Weighted average number of shares - Diluted	218,681,261	215,629,197															
Basic Earnings per Share (₹ per Equity Share of ₹ 1 each)	2.23	1.19															
Diluted Earnings per Share (₹ per Equity Share of ₹ 1 each)	2.17	1.16															
(h) Revenue includes																	
(i) Brokerage and Incentives paid netted off ₹ 368,774,136 (Previous Year ₹ 243,486,572).																	
(ii) Exchange loss on revaluation of Nostro and other Bank Accounts used for holding foreign currency for travel business ₹ 36,210,634 (Previous Year ₹ 10,913,354).																	
(i) Thomas Cook Mauritius Operations Company Ltd. (TCMOCL), a subsidiary of Thomas Cook (India) Ltd. (TCIL), operates in foreign exchange business.																	
<p>During the year it was observed that there were accounting and reconciliation issues in the books of account of TCMOCL, therefore, TCIL appointed Lovi Mehrotra &amp; Associates (LMA) – one of the internal auditors for TCIL - to re-write the accounts of TCMOCL. It was observed that the financial statements of TCMOCL has been misstated in prior years by the Finance Manager of that Subsidiary. An independent investigation revealed that there were unexplained asset balances, accounting of duplicate/unsupported sales entries, unsatisfactory books of account and erroneous bank reconciliation statements in the books as on 30th September, 2009 and concluded that TCMOCL overstated the profits aggregating to Rs 75,841,212 in prior years. However they did not indicate any instance of unauthorised or inappropriate withdrawals or missing deposit in the bank accounts. The investigation report concluded that the turnover and profit for the year ended 31st December, 2008 and period ended 30th September, 2009 were overstated by ₹ 23,485,806 and ₹ 52,355,406 respectively.</p>																	
<p>Consequently, corresponding bank balances &amp; retained profits as on 31st December, 2008 and 30th September, 2009 were overstated by ₹ 23,485,806 and ₹ 52,355,406 respectively. These amounts aggregating to ₹ 75,841,212 has been corrected in the current year and shown as a prior period item under the head Turnover.</p>																	
<p>The investigator had made recommendations in their report to mitigate control weaknesses, which have since been implemented. The finance manager in charge of the accounting function in TCMOCL has been replaced and internal controls have been strengthened.</p>																	
(j) The Company had considered Non-Compete Fees amounting to ₹ 220,000,000 paid during the financial year ended 31st December, 2007 as an allowable expenditure for the purpose of computing the provision for tax. In the current year, the Company has received an assessment order from the Income Tax authorities in respect of the assessment year 2007-08. This order has allowed the deduction of non compete fees of ₹ 220,000,000 prorated equally over assessment years 2007-08, 2008-09 and 2009-10 respectively. The necessary adjustments for the year wise provision for tax have been made in the books of account.																	

# Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2010

## SCHEDULE “Q” : (Contd.)

- (k) Exceptional Item represents ₹ 100,000,000 received as compensation towards termination of Non Compete Agreement for the LKP Forex Acquisition.
- (l) During the previous year ended 31st December, 2009, the Management had restructured its branches and businesses based on a review of its operations and has incurred personnel cost of ₹ 97,706,718.
- (m) Employee Stock Options:

### Thomas Cook Employees Stock Option Plan - 2007.

The Company has established an Employee Stock Option Plan called - “Thomas Cook Employees Stock Option Plan - 2007”. The same has been approved by a Special Resolution passed by the Shareholders by a Postal Ballot on 23rd March, 2007.

The Scheme is in accordance with the provisions of Securities and Exchange Board of India (SEBI)- (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The exercise price is as governed by the guidelines issued by SEBI.

The objectives of this plan are :

- Motivate talent in the organization with a view to achieve long term business goals.
- Retain key talent in the organization
- Foster ownership and motivation.

The grant of options to employees under the stock option scheme is on the basis of their performance and other eligibility criteria. Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The unvested options shall vest with the participant in 3 equal annual installments on each of the anniversaries from the Grant Date.

### Thomas Cook Save As You Earn (SAYE) - 2010.

Further to the Thomas Cook Employees Stock Option Plan -2007, the Company has established a Thomas Cook Save As You Earn (SAYE), Scheme - 2010. The SAYE scheme has been approved by a Special Resolution passed on 14th December, 2010, by the shareholders by means of a Postal Ballot and shall be effective from that date. SAYE is a Monthly Savings Contribution Scheme available to all employees of Thomas Cook (India) Limited and its subsidiaries provided that they have completed at least 6 months in the organization .

The objectives of the SAYE Scheme -2010 are same as Thomas Cook Employees Stock Option Plan -2007.

SAYE allows employees to save a part of their net pay every month which gets deposited with a bank in a recurring deposit account carrying fixed rate of interest. At the end of 3 years, employees have the option to either purchase specific number of equity shares of TCIL at the predetermined Exercise Price or withdraw the Monthly Savings Contributions along with Interest accrued.

Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The maximum number of options granted per participant per grant will not exceed 200,000 (Two Hundred Thousand) shares. The maximum number of shares that may be issued / transferred pursuant to the exercise of options granted under the SAYE scheme shall not exceed 3,000,000 (Three Million) shares.

Vesting under the scheme is linked to the continued association with the Group. The options would vest only when an employee has completed the committed 36 monthly contributions. The exercise period would not be more than one month from the date of vesting.

### Following are the details of Options granted under these Schemes :

Particulars	Grant Registration				
	GT 25 Jul 2007 25-Jul-07	GT 10 Jul 2008 10-Jul-08	GT 20 Mar 2009 20-Mar-09	GT 27 May 2010 27-May-10	SAYE 14 Dec 2010 14-Dec-10
Pricing Formula	95% of the closing market price on the stock exchange where higher number of shares are traded			90% of the closing market price on the stock exchange where higher number of shares are traded	
Exercise Price	61.89	77.62	30.31	52.74	50.40
Options Granted and Accepted	1,104,125	1,240,000	2,068,725	991,313	1,020,310
Options vested and exercisable	617,000	513,660	395,062	—	—
Options exercised	113,540	—	261,130	—	—
Options -Lapsed/ Cancelled/ Forfeited	373,585	469,500	280,240	—	—
Total No. of Options in force (Vested and Unvested)	617,000	770,500	1,527,355	991,313	1,020,310

# Schedules forming part of the Consolidated Financial Statements for the year ended 31st December, 2010

## SCHEDULE “Q” : (Contd.)

During the year ended 31st December, 2010, a total of 361,130 Equity shares of ₹ 1 each were issued and allotted under the Thomas Cook Employee Stock Option plan - 2007. Consequently, the issued and paid up Equity Share Capital have increased to 211,807,699 shares.

- (n) Employees of the Company and other parties misappropriated assets aggregating to ₹ 5,620,000 (*Previous Year ₹ 6,298,294*) during the year. The Company has recovered ₹ 350,000 so far. The cases are under investigation and Company has taken steps for recovering the balance amount.
- (o) As per the provision of Section 115JAA, MAT Credit receivable has been recognized on the basis of return of income filed for the previous years. MAT credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period (as per the Income Tax Act, 1961). MAT credit is recognised as an asset in accordance with the recommendation contained in guidance note issued by the Institute of Chartered Accountants of India and disclosed in the Schedule “J”, Loans and Advances. The said assets is created by the way of credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company will review the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period (as per the Income Tax Act, 1961).
- (p) Previous Year figures have been regrouped where necessary.

In terms of our report of even date

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

VASANT GUJARATHI  
Partner  
Membership No. 17866

Mumbai, 17th February, 2011

For and on behalf of the Board

MADHAVAN MENON  
VINAYAK K. PUROHIT  
RAKSHIT DESAI  
R. R. KENKARE

– Managing Director  
– Executive Director – Finance  
– Executive Director – Travel Services  
– President & Head – Legal & Company Secretary

Mumbai, 17th February, 2011

# Consolidated Cash Flow Statement

## for the year ended 31st December, 2010

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Taxation and after Exceptional Item		736,267,564		404,860,185
Adjustments for -				
Depreciation	135,041,975		116,443,449	
Discounting charge for Employee Stock Option	1,789,670		3,711,487	
Interest and Other Finance Expenses (Net of Interest Income)	210,690,280		210,093,499	
Dividend Income	(1,310,878)		(1,637,671)	
(Profit)/Loss on Sale of Fixed Assets (Net)	(142,626,864)		13,941,504	
(Profit) on Redemption of Long-term Investment	(14,098,942)		—	
Provision for diminution in the value of Long-term Investment	1,270		—	
		189,486,511		342,552,268
Operating profit before working capital changes		925,754,075		747,412,453
Adjustments for -				
Trade and Other Receivables	(575,212,590)		(523,424,300)	
Trade and Other Payables	(125,456,191)		751,317,567	
		(700,668,781)		227,893,267
Cash generated from operations		225,085,294		975,305,720
Direct Taxes paid (Net of refund of taxes)		(149,352,624)		(164,913,933)
Net cash from operating activities		75,732,670		810,391,787
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(397,422,140)		(173,279,941)	
Sale of Fixed Assets	185,425,564		8,060,879	
Sale or Redemption/(Purchase) of Investments	214,448,724		(353,877,291)	
Interest Received	10,989,841		4,212,077	
Dividend Received	1,310,878		1,637,671	
Net cash from/(used in) investing activities		14,752,867		(513,246,605)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Redemption of Preference Shares	—		(1,155,287,671)	
Proceeds from Right issue of Equity Shares (net of expenses)	—		1,775,164,277	
Proceeds from issue of Equity Shares under ESOP	14,103,850		—	
Proceeds/(Repayment) of Borrowings	299,592,294		(907,564,509)	
Proceeds of Finance Lease liability (Net)	15,573,279		3,478,888	
Interest and Other Finance Expenses paid	(218,269,464)		(225,239,820)	
Dividend Paid	(79,342,838)		(89,805,583)	
Tax on Dividend Paid	(13,181,661)		(15,265,126)	
Net cash from/ (used in) financing activities		18,475,460		(614,519,544)
<b>D. EFFECT OF EXCHANGE FLUCTUATION ON TRANSLATION RESERVE</b>		(9,064,658)		—
Net increase/(decrease) in cash and cash equivalents		99,896,339		(317,374,362)
Cash and Cash Equivalents - Opening Balance		1,501,141,471		1,818,515,833
Cash and Cash Equivalents - Closing Balance		1,601,037,810		1,501,141,471

## Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements, notified under sub-section (3C) of Section 211 of The Companies Act, 1956.
- Previous year figures have been regrouped where necessary.

In terms of our report of even date

For and on behalf of the Board

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

VASANT GUJARATHI  
Partner  
Membership No. 17866

Mumbai, 17th February, 2011

MADHAVAN MENON  
VINAYAK K. PUROHIT  
RAKSHIT DESAI  
R. R. KENKARE

— Managing Director  
— Executive Director – Finance  
— Executive Director – Travel Services  
— President & Head – Legal & Company Secretary

Mumbai, 17th February, 2011



# Directors' Report

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

The Directors present their Fiftieth Annual Report together with the Balance Sheet and Profit and Loss Account for the year ended 31st December, 2010.

## Financial Results

The financial results of the Company are summarised below:

	Year ended 31.12.2010 Rupees	Year ended 31.12.2009 Rupees
Profit before Depreciation and Taxation	129,003,850	(9,271,184)
Depreciation	12,931,547	13,830,808
Profit before Taxation	116,072,303	(23,101,992)
Provision for Taxation	43,438,439	10,193,535
Taxation of Prior Years (net)	—	(4,000,000)
Profit after taxation	72,633,864	(37,295,527)
Balance brought forward from previous year	386,382,663	423,678,190
Balance carried forward to Balance Sheet	459,016,527	386,382,663

## Operations

During the year, your Company reported a net profit of ₹ 72.6 million against a loss of ₹ 37.3 million in the previous year. While operating margins continued to be under pressure, the Company disposed off its surplus property as part of the restructuring process.

## 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. Rakshit Desai, Director, retires by rotation and being eligible, offers himself for re-appointment.

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

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 ₹ 1,103,781,067/- and outgo was ₹ 80,647,734/- towards salary, legal and professional fees, travelling, 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:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
2. 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;
3. 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;
4. 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, 2010 is attached hereto.

## Auditors

M/s. Lovelock & Lewes, Chartered Accountants, Firm Registration No. 301056E, 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.

FOR AND ON BEHALF OF THE BOARD

MADHAVAN MENON — Director  
VINAYAK K. PUROHIT — Director

Mumbai, 17th February, 2011

# 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, 2010**

Sr. No.	Name	Age	Designation	Remuneration	Nature of Duties	Qualification	Total Experience	Date of Joining	Last Employment
1	Mr. Bankar Yashwant Namdeo**	48	Manager - Credit Control	1,229,348	Managing Credit Control	B.Com., M.Com. Mpm, Dll&Lw	26	6-Sep-89	Kalyani Sharp Limited
2	Mr. Gomes Pereira Aravin**	55	Chief Operating Officer - Charters & Goa	2,289,480	Responsible for Charter Business	B.A.	27	1-Apr-87	Holiday Inn
3	Mr. Govekar Gouraknath Raghuvir**	51	Associate Vice President - Accounts	2,122,479	Managing Finance and Accounts	B.Com., M.Com.	24	1-Oct-88	Menezes Air Travels
4	Mr. Shahdarpuri Variender G.	55	Senior Vice President - Leisure Travel (Inbound)	3,266,546	Responsible for Spanish and German and U.S. Inbound Business	B.A., PG in Tourism & Hotel Management	36	9-Jun-03	Hilton Hotel, New York
5	Mr. Swamy Vijay** (expired)	57	Driver Cum Mechanic	1,242,051	Driver	Illiterate	26	1-Jan-85	Started his career with Travel Corporation (India) Limited
6	Mr. Walter Rohit	41	Vice President - Vendor Management & Contracting, Leisure Travel (Inbound)	3,026,375	Managing Vendor Management & Contracting for Inbound	B.Com., PGD Hotel Management	20	2-Dec-91	Taj Group of Hotels

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 applicable. 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 ₹ 2,00,000/- per month or more.

FOR AND ON BEHALF OF THE BOARD

Place: Mumbai

Date: 17th February, 2011

MADHAVAN MENON – Director

VINAYAK K. PUROHIT – 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, 2010. 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 4 (Four) times on 15.03.2010, 29.04.2010, 23.07.2010 and 22.10.2010 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, 2009 was held on 05.05.2010 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) There was no allotment/transfer/transmission of securities during the financial year.  
(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. There was no appointment of additional directors, alternate directors during the financial year.
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, 2010.
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.

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For PARIKH & ASSOCIATES

P. N. Parikh  
Company Secretary  
C. P.: 1228 (Partner)

Place: Mumbai  
Date: 17th February, 2011

## ANNEXURE 'A'

### 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 Accounts 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.
4. Register of Renewed and Duplicate Certificates.
5. Register of Common Seal.

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For PARIKH & ASSOCIATES

P. N. Parikh  
Company Secretary  
C. P.: 1228 (Partner)

Place: Mumbai  
Date: 17th February, 2011

**ANNEXURE 'B'**

**Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on 31st December, 2010.**

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 & 23 ACA alongwith Annual Report for the year ended 31.12.2009	220	Approved at the Annual General Meeting held on 05.05.2010	28.05.2010	Yes	N.A.
2	Form 66 alongwith Compliance Certificate	383A	Compliance Certificate for the year ended 31.12.2009	28.05.2010	Yes	N.A
3	Form 32	303	Change in Designation of Madhavan Menon as Director at Annual General Meeting held on 05.05.2010	28.05.2010	Yes	N.A
4	Form 23	309(2)	Special Resolution passed at Annual General Meeting held on 05.05.2010 for Revision in the sitting fees of Directors	29.06.2010	No	Yes
5	Form 20B alongwith Annual Return made upto 05.05.2010	159	Annual Return made upto 05.05.2010	02.07.2010	Yes	N.A.

For PARIKH & ASSOCIATES

P. N. Parikh  
Company Secretary  
C. P.: 1228 (Partner)

Place: Mumbai  
Date: 17th February, 2011

# Auditors' Report

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

1. We have audited the attached Balance Sheet of Travel Corporation (India) Limited (the "Company") as at 31st December, 2010, 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, 2010 and taken on record by the Board of Directors, no director is disqualified as on 31st December, 2010 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 Schedules A to P annexed 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, 2010;
    - (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.

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

VASANT GUJARATHI  
Partner  
Membership Number: 17866  
Mumbai, 17th February, 2011

## 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, 2010]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies 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.
- (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.
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 except in respect of Corporate Travel Business where the internal control system needs to be strengthened on account of certain integration issues arising post implementation of the Corporate Travel Module. Further, on the basis of our examination of the books and records of the Company, 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. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register maintained under that section.
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, 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. As informed to us investor education and protection fund, sales tax and excise duty are not applicable to the Company during the year.
- (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, 2010 which have not been deposited on account of a dispute, are as follows –

Name of the statute	Nature of dues	Amount (₹)	Year 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	245,014,723	Financial Year 2003 to 2010	Various Levels from Assistant Commissioner to CESTAT



## Annexure to the Auditors Report

8. The Company has no accumulated losses as at 31st December, 2010 and it has not incurred any cash losses in the financial year ended on that date. However, the Company had incurred cash losses 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 as at the balance sheet date.
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, 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 a 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 issues 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, and according to the information and explanations given to us, we have neither come across any instance of fraud 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.

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

VASANT GUJARATHI  
Partner  
Membership Number: 17866  
Mumbai, 17th February, 2011

# Balance Sheet

## as at 31st December, 2010

	Schedule	As at 31st December, 2010		As at 31st December, 2009	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>					
Shareholders' Funds					
Capital	A	15,766,980		15,766,980	
Reserves and Surplus	B	559,803,672		487,169,808	
			575,570,652		502,936,788
Deferred Taxation (Net)					
Deferred Tax Liability	C	52,217,025		—	
Less : Deferred Tax Asset	D	20,572,937		—	
			31,644,088		—
	Total		607,214,740		502,936,788
<b>APPLICATION OF FUNDS</b>					
Fixed Assets	E				
Gross Block		379,120,381		201,265,639	
Less: Depreciation		116,173,032		123,560,030	
Net Block		262,947,349		77,705,609	
Advances for Capital Expenditure		3,921,999		1,242,789	
			266,869,348		78,948,398
Investments	F		70,000,000		320,032,699
Deferred Taxation (Net)					
Deferred Tax Asset	D	—		14,170,984	
Less: Deferred Tax Liability	C	—		7,405,418	
			—		6,765,566
Current Assets, Loans and Advances					
Sundry Debtors	G	338,449,264		319,202,717	
Cash and Bank Balances	H	303,713,046		97,835,377	
Loans and Advances	I	235,842,388		191,802,029	
		878,004,698		608,840,123	
Less: Current Liabilities and Provisions					
Liabilities	J	604,087,814		482,656,247	
Provisions	K	3,571,492		28,993,751	
		607,659,306		511,649,998	
Net Current Assets			270,345,392		97,190,125
	Total		607,214,740		502,936,788
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

For and on behalf of the Board

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

MADHAVAN MENON — Director  
VINAYAK K. PUROHIT — Director  
RAKSHIT DESAI — Director

VASANT GUJARATHI  
Partner  
Membership No. 17866

Mumbai, 17th February, 2011

Mumbai, 17th February, 2011

# Profit and Loss Account

## for the year ended 31st December, 2010

	Schedule	Year ended 31st December, 2010		Year ended 31st December, 2009	
		Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>					
Revenue		311,666,915		301,498,945	
Other Income	L	141,429,811		12,097,882	
			453,096,726		313,596,827
<b>EXPENDITURE</b>					
Personnel Cost	M	209,787,486		193,511,476	
Advertisement and Business Promotion		15,309,396		13,024,145	
Other Expenses	N	97,074,785		114,554,333	
Interest and Other Finance Expenses	O	1,921,209		1,778,057	
Depreciation	E	12,931,547		13,830,808	
			337,024,423		336,698,819
<b>PROFIT/(LOSS) BEFORE TAXATION</b>			116,072,303		(23,101,992)
Provision for Taxation					
Current Tax		29,000,000		6,000,000	
Less - MAT Entitlement Credit [Refer Note 2(m) of Schedule "P"]		(23,971,214)		—	
		5,028,786		6,000,000	
Short Provision of Income Tax for earlier years		—		4,000,000	
Fringe Benefit Tax		—		937,083	
Wealth Tax		—		23,000	
Deferred Tax		38,409,653		3,233,452	
			43,438,439		14,193,535
<b>NET PROFIT/(LOSS) AFTER TAXATION</b>			72,633,864		(37,295,527)
Balance brought forward from Previous Year			386,382,663		423,678,190
			459,016,527		386,382,663
Balance carried to Balance Sheet			459,016,527		386,382,663
			459,016,527		386,382,663
Earnings Per Share - Basic and Diluted [₹ per Equity Share of ₹ 10 each] [Refer Note 2(j) of Schedule "P"]			46.07		(23.65)
Notes to the Financial Statements Schedules "E" and "L" to "P" referred to above form an integral part of the Profit and Loss Account.	P				

In terms of our report of even date

For and on behalf of the Board

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

MADHAVAN MENON — Director  
VINAYAK K. PUROHIT — Director  
RAKSHIT DESAI — Director

VASANT GUJARATHI  
Partner  
Membership No. 17866

Mumbai, 17th February, 2011

Mumbai, 17th February, 2011

# Schedules forming part of the Balance Sheet

## as at 31st December, 2010

	As at 31st December, 2010 Rupees	As at 31st December, 2009 Rupees
<b>SCHEDULE "A" : CAPITAL</b>		
Authorised		
2,000,000 Equity Shares of ₹ 10 each	<u>20,000,000</u>	<u>20,000,000</u>
Issued and Subscribed		
1,576,698 Equity Shares of ₹ 10 each fully paid-up, all held by the holding company, Thomas Cook (India) Limited and its nominees	<u>15,766,980</u>	<u>15,766,980</u>
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>		
General Reserve	100,627,008	100,627,008
Capital Reserve	160,137	160,137
Profit and Loss Account	<u>459,016,527</u>	<u>386,382,663</u>
	<u>559,803,672</u>	<u>487,169,808</u>
<b>SCHEDULE "C" : DEFERRED TAX LIABILITY</b>		
- On Fiscal Allowances on Fixed Assets	<u>52,217,025</u>	<u>7,405,418</u>
	<u>52,217,025</u>	<u>7,405,418</u>
<b>SCHEDULE "D" : DEFERRED TAX ASSET</b>		
- On Provisions Allowable for tax purposes when paid	3,029,943	3,772,512
- On Provision for Doubtful Debts and Advances	5,082,479	10,398,472
- On Unabsorbed Business Losses	<u>12,460,515</u>	<u>—</u>
	<u>20,572,937</u>	<u>14,170,984</u>

## Schedule forming part of the Balance Sheet as at 31st December, 2010

### SCHEDULE "E" : FIXED ASSETS

Description	Gross Block (at cost)			Depreciation/Amortisation			Net Block		(Rupees)
	As at 01.01.2010	Additions	Deductions	As at 31.12.2010	For the Year	On Deductions	As at 31.12.2010	As at 31.12.2009	
<b>INTANGIBLE ASSETS</b>									
Software	18,369,901	3,319,671	—	21,689,572	2,960,867	—	15,418,272	6,271,300	5,912,496
<b>TANGIBLE ASSETS</b>									
Freehold Properties	57,440,566	179,503,993	20,396,637	216,547,922	1,985,751	6,181,366	26,257,039	190,290,883	26,987,912
Furniture and Fittings	34,238,093	12,847,529	7,035,886	40,049,736	2,106,013	4,103,205	9,813,376	30,236,360	22,427,525
Computers	43,070,094	3,214,457	7,270,827	39,013,724	2,153,936	7,244,066	34,028,333	4,985,391	3,951,631
Office Equipment	21,357,401	18,346,172	4,240,674	35,462,899	1,486,187	2,371,032	7,442,110	28,020,789	13,030,446
Vehicles	26,789,584	—	433,056	26,356,528	2,238,793	418,876	23,213,902	3,142,626	5,395,599
	201,265,639	217,231,822	39,377,080	379,120,381	12,931,547	20,318,545	116,173,032	262,947,349	77,705,609
<i>Previous Year</i>	225,408,826	25,920,429	50,063,616	201,265,639	13,830,808	39,372,240	123,560,030	77,705,609	

Notes:

1. Freehold Properties include :

- ₹ 12,100,000 being cost of 65 Debentures of the face value for ₹ 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 ₹100/- each of R.R. Investments and Estates Ltd.
- 70 (*Previous Year 80*) unquoted fully paid-up Shares of ₹ 50 /- each in various co-operative housing societies.
- Premises of ₹ 168,803,993 (*Previous Year - Nil*) on freehold land where the Company is yet to be registered as the owner of a proportionate share in land.

# Schedules forming part of the Balance Sheet

## as at 31st December, 2010

	As at 31st December, 2010		As at 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "F" : INVESTMENTS</b>				
(Non-Trade, Unquoted, Fully paid)				
Current Investments				
6,134,969 ( <i>Previous Year - Nil</i> ) Units of ₹ 10 each of IDFC Mutual Fund Cash Fund.	70,000,000		—	
Nil ( <i>Previous Year- 18,216,580</i> ) Units of ₹ 10 each of LIC Mutual Fund Liquid Fund - Daily Dividend Plan.	—		200,019,872	
Nil ( <i>Previous Year - 11,977,926</i> ) Units of ₹ 10 each of Birla Sun Life Cash Plus - Institutional Premium-Daily Dividend - Reinvestment	—		120,012,827	
		70,000,000		320,032,699
		70,000,000		320,032,699
		Units		Units
Investments purchased and sold during the year				
- Units of ₹ 10 each of IDFC - Cash Fund		17,868,630		—
- Units of ₹ 10 each of SBI - Magnum Insta Cash Fund		3,799,332		20,902,471
- Units of ₹ 10 each of LIC Mutual Fund Liquid Fund - Daily Dividend Plan		34,618,969		—
- Units of ₹ 10 each of HDFC Liquid Premium Plan		—		22,844,833
- Units of ₹ 1,000 each of UTI Money Market Mutual Fund		—		329,372
<b>SCHEDULE "G" : SUNDRY DEBTORS</b>	Rupees	Rupees	Rupees	Rupees
Unsecured, Considered Good				
Outstanding exceeding six months	29,639,105		5,935,665	
Others	308,810,159		313,267,052	
		338,449,264		319,202,717
Unsecured, Considered Doubtful				
Outstanding exceeding six months	15,300,607		11,098,888	
Less: Provision for Doubtful Debts	15,300,607		11,098,888	
		—		—
		338,449,264		319,202,717
<b>SCHEDULE "H" : CASH AND BANK BALANCES</b>				
Cash and Cheques on Hand		1,621,667		2,333,912
Balances with Scheduled Banks				
On Current Accounts	66,499,442		46,701,185	
On Deposit Accounts	231,890,000		45,411,014	
[Of the above, ₹2,920,000 ( <i>Previous Year ₹2,951,014</i> ) on lien with various authorities]				
		298,389,442		92,112,199
Balances with Non-Scheduled Banks				
On Current Accounts				
Lloyds Bank London, UK	1,234,327		1,443,429	
(maximum balance during the year ₹2,192,386 - <i>Previous Year ₹ 1,937,157</i> )				
JP Morgan Chase Bank, New York, USA	2,467,610		1,945,837	
(maximum balance during the year ₹ 5,003,432 - <i>Previous Year ₹ 14,104,233</i> )				
		3,701,937		3,389,266
		303,713,046		97,835,377

# Schedules forming part of the Balance Sheet

## as at 31st December, 2010

	As at 31st December, 2010 Rupees	As at 31st December, 2009 Rupees
<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	194,011,476	110,790,514
Advance Tax [Net of Provision for tax ₹ 170,000,000 ( <i>Previous Year ₹ 141,000,000</i> )]	17,859,698	81,011,515
MAT Credit Entitlement [Refer Note 2(m) of Schedule “P”]	23,971,214	—
	<u>235,842,388</u>	<u>191,802,029</u>
<b>SCHEDULE “J” : LIABILITIES</b>		
Sundry Creditors other than Micro and Small Scale Business Entities* [Refer Note 2(e) of Schedule “P”]	436,896,333	372,336,474
Payable to Holding Company	52,876,960	—
Advance Payments from Customers for which value is still to be given	107,518,508	104,166,922
Other Liabilities	6,796,013	6,152,851
	<u>604,087,814</u>	<u>482,656,247</u>
*Includes Book Overdrafts aggregating to ₹ 6,745,352 ( <i>Previous Year: ₹ 16,133,924</i> )		
<b>SCHEDULE “K” : PROVISIONS</b>		
Provision for Leave Encashment	221,980	12,587,936
Provision for Gratuity	2,939,834	15,996,137
Provision for Fringe Benefit Tax [Net of Advance tax ₹ 15,235,431 ( <i>Previous Year ₹ 15,235,431</i> )]	409,678	409,678
	<u>3,571,492</u>	<u>28,993,751</u>

# Schedules forming part of the Profit and Loss Account

## for the year ended 31st December, 2010

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "L" : OTHER INCOME</b>				
Interest				
On Deposits with Banks (Gross) [Tax Deducted at Source ₹ 45,684 (Previous Year - ₹ 103,229)]	418,105		517,097	
On Income Tax Refund	5,926,527		—	
Others	40,390		5,918	
		6,385,022		523,015
Dividend on Current Investments - Non-Trade		904,424		291,959
Liabilities no longer required written back		2,352,439		10,583,592
Profit on Sale of Fixed Assets (Net)		129,348,193		—
Miscellaneous Income		2,439,733		699,316
		<u>141,429,811</u>		<u>12,097,882</u>
<b>SCHEDULE "M" : PERSONNEL COST</b>				
Salaries, Wages and Bonus		181,789,002		176,415,800
Contribution to Provident and Other Funds		7,046,153		6,726,695
Premium on/Provision for Gratuity-cum-Life Assurance Policy		4,702,117		154,325
Staff Welfare Expenses		10,005,518		8,894,550
Staff Training, Recruitment and Other Costs		610,453		101,902
Incentive/Commission to Staff and Directors		5,634,243		1,218,204
		<u>209,787,486</u>		<u>193,511,476</u>
<b>SCHEDULE "N" : OTHER EXPENSES</b>				
Rent		11,188,415		12,936,808
Rates and Taxes		1,686,672		1,131,625
Insurance		693,893		420,512
Repairs and Maintenance				
Buildings	318,729		565,849	
Others	6,810,578		11,744,036	
		7,129,307		12,309,885
Electricity		5,431,667		6,336,403
Printing and Stationery		3,035,215		3,701,809
Postage, Telegrams, Telex and Telephones		15,633,983		15,082,563
Legal and Professional Charges		13,282,357		17,060,448
Auditors' Remuneration				
Audit Fees	2,500,000		2,500,000	
Reports under the provisions of the Income-tax Act, 1961	1,000,000		1,000,000	
Reimbursement of Expenses	22,000		19,250	
		3,522,000		3,519,250
Travelling and Conveyance		19,054,551		15,280,633
Directors' Fees		80,000		60,000
Security Services		1,054,922		1,035,020
Vehicle Running and Maintenance		2,720,692		1,579,553
Bad Debts and advances written off		12,740		28,032,529
Provision/(Write Back) for Doubtful Debts (Net)		4,201,719		(17,567,254)
Loss on Sale of Fixed Assets (Net)		—		6,654,171
Foreign Exchange Loss (Net)		3,529,149		3,583,332
Miscellaneous Expenses		4,817,503		3,397,046
		<u>97,074,785</u>		<u>114,554,333</u>
<b>SCHEDULE "O" : INTEREST AND OTHER FINANCE EXPENSES</b>				
Interest				
Bank Overdrafts	175,491		185,490	
Others	33	175,524	3,143	188,633
Other Finance Expenses		1,745,685		1,589,424
		<u>1,921,209</u>		<u>1,778,057</u>



# Schedule forming part of the Financial Statements

## for the year ended 31st December, 2010

### 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 notified under sub-section (3C) of Section 211 of Companies Act, 1956 (the ‘Act’) and the other relevant provisions of 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 ₹ 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) Employee Benefits

###### (a) Defined Contribution Plans

The Company has Defined Contribution Plans for post employment benefits in the form of Provident Fund. Contributions to Defined Contribution schemes such as Provident Fund, etc. are charged to the Profit and Loss Account as incurred. In respect of certain employees, 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.

###### (b) Defined Benefit Plans

The Company has Defined Benefit Plans for post employment benefits in the form of Gratuity. 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 employees of the Company are entitled to Leave benefits as per the policy of the Company. Provision towards accrued leave is made based on actuarial valuation done by independent actuaries for the accumulated unutilised leave balances of the employees at the year-end.

# Schedule forming part of the Financial Statements

## for the year ended 31st December, 2010

### SCHEDULE "P" (Contd.)

#### (f) Revenue

Revenue 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 Financial Statements

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 8,87,000 (*Previous Year ₹ 217,221*).

	As at 31st December, 2010 Rupees	As at 31st December, 2009 Rupees
(b) Contingent Liabilities		
(i) Claims against the Company not acknowledged as debts:		
- Disputed claims made by clients/employees	—	540,000
(ii) Disputed Income tax Demands	146,174,773	146,174,773
(iii) Disputed Service tax Demands	245,014,723	72,031,261

Note: Future cash outflows in respect of 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 period is the aggregate of the provision made for the three months ended 31st March, 2010 and the provision based on the figures for the remaining nine months up to 31st December, 2010, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2010 to 31st March, 2011.

#### (d) Segment Information

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.

#### (e) 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, 2010. 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.

# Schedule forming part of the Financial Statements

## for the year ended 31st December, 2010

SCHEDULE "P" (Contd.)		Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees
(f)	Expenditure in Foreign Currency:		
	Legal & Professional Fees	2,092,712	833,191
	Salary, Travel and Others (Includes expenses incurred by foreign offices)	78,555,022	77,932,592
(g)	Earnings in Foreign Currency:		
	Receipts from Independent Tours and Travel	1,103,431,551	980,731,044
	Commission and others	349,516	1,024,877
(h)	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 55.77% of Equity Shares of Thomas Cook (India) Limited. Thomas Cook UK Limited, the holding company of TCIM Limited, UK owns 21.41% of Equity Shares of Thomas Cook (India) Limited. Thomas Cook UK Limited is a step down subsidiary of Thomas Cook Group plc, the ultimate holding company.	
(B)	Other Related Parties with whom the Company had transactions during the year		
(i)	Fellow Subsidiary	Thomas Cook (Mauritius) Holidays Limited Thomas Cook Northern Europe	
(ii)	Key Management Personnel	Madhavan Menon Vinayak K. Purohit Rakshit Desai	
(C)	Disclosure of transactions between the Company and related parties and outstanding balances as at the year end:		
		Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees
(i)	Holding Company		
	Reimbursement of Expenses (Net)		
	Thomas Cook (India) Limited	57,839,962	2,744,047
	Balances as at the year end -		
	Outstanding payables		
	Thomas Cook (India) Limited	52,876,960	—
(ii)	Fellow Subsidiary		
	Purchase of Services*		
	Thomas Cook (Mauritius) Holidays Limited	412,071	564,432
	Sale of Services**		
	Thomas Cook Northern Europe	46,531,161	73,420,247
	Balances as at the year end -		
	Outstanding payables		
	Thomas Cook (Mauritius) Holidays Limited	8,418	77,433
	Outstanding Receivables		
	Thomas Cook Northern Europe	13,531,774	16,956,432
	*Purchase value of transactions		
	** Sale value of transactions		

# Schedule forming part of the Financial Statements

## for the year ended 31st December, 2010

SCHEDULE "P" (Contd.)		Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees
(i)	Disclosures for Leases		
	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	11,188,415	12,936,808
(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 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	—	—
-	Later than one year and not later than five years	—	—
-	Later than five years	—	—
(j)	Earnings Per Share has been computed as under		
	Net Profit/(Loss)	72,633,864	(37,295,527)
	Weighted average number of shares	1,576,698	1,576,698
	Basic and Diluted Earnings Per Share (₹ per Equity Share of ₹ 10 each)	46.07	(23.65)
(k)	Employee Benefits		
	The disclosure required under the revised AS 15 in respect of Defined Contribution Plans.		
(A)	Charge to the Profit and Loss Account towards Contribution to Provident Fund and Other Funds amounted to ₹ 7,046,153 (Previous Year ₹ 6,726,695).		
(B)	The disclosures as required under the revised AS 15 in respect of gratuity, a defined benefit scheme (based on Actuarial Valuation) is as follows -		
		Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees
(i)	Net Asset/(Liability) recognised in Balance Sheet as at 31st December, 2010		
(a)	Present Value of Funded Obligation	19,675,958	20,239,334
(b)	Fair Value of Plan Assets at year end	(16,736,124)	(4,243,197)
	Present Value of Unfunded Obligations	—	—
	Unrecognised Past Service Cost	—	—
	Amount not Recognised as an Asset	—	—
(c)	(Asset)/Liability recognised in the Balance Sheet	2,939,834	15,996,137
(ii)	Components of Employer Expense		
(a)	Current Service Cost	1,737,901	2,377,403
(b)	Interest Cost	1,591,969	1,598,055
(c)	Expected return on Plan Assets	(372,219)	(1,226,349)
(d)	Net Actuarial Losses/(Gains) Recognised in the year	1,744,466	(3,185,131)
(e)	Past Service Cost	—	—

# Schedule forming part of the Financial Statements

## for the year ended 31st December, 2010

SCHEDULE "P" (Contd.)		Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees
(f)	Losses/(Gains) on Curtailments	—	123,804
(g)	Losses/(Gains) on Acquisition & Divestiture	—	—
(h)	Total Expense recognised in the Profit and Loss Account	4,702,117	(312,218)
(i)	Actual Return on Plan Assets	999,828	807,938
(iii)	Changes in Defined Benefit Obligation (DBO) during the year		
(a)	Defined Benefit Obligation at beginning of year	20,239,334	26,875,385
(b)	Current Service Cost	1,737,901	2,377,403
(c)	Interest Cost	1,591,969	1,598,055
(d)	Actuarial Losses/(Gain)	2,372,075	(3,603,542)
(e)	Past Service Cost	—	—
(f)	Actuarial Losses/(Gain) due to Curtailment	—	—
(g)	Liabilities Extinguished on Settlement	—	(2,974,523)
(h)	Liabilities Extinguished on Acquisition/(Settled on Divestiture)	—	—
(i)	Exchange Difference on Foreign Plans	—	—
(j)	Benefits Paid	(6,265,321)	(4,033,444)
(k)	Defined Benefit Obligation at year end	19,675,958	20,239,334
(iv)	Changes in the Fair Value of Plan Assets		
(a)	Fair Value of Plan Assets beginning of year	4,243,197	8,253,178
(b)	Expected Return on Plan Assets	372,219	1,226,349
(c)	Actuarial (Losses)/Gain	627,609	(418,411)
(d)	Assets Distributed on Settlements	—	(3,098,327)
(e)	Contribution by Employer	17,758,420	2,313,852
(f)	Assets Acquired on Acquisition/(Distributed on Divestiture)	—	—
(g)	Exchange Difference on Foreign Plans	—	—
(h)	Benefits Paid	(6,265,321)	(4,033,444)
(i)	Fair Value of Plan Assets at year end	16,736,124	4,243,197
(v)	Percentage of each Category of Plan Assets to total fair Value of Plan Assets		
	Insurer Managed Funds	100.00%	100.00%
(vi)	Principal Actuarial Assumptions		
(a)	Discount Rate (p.a.)*	8.00%	7.60%
(b)	Expected Rate of Return on Assets (p.a.)**	7.50%	7.50%
(c)	Salary Escalation Rate (p.a.)***	6.00%	6.00%

\* 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.

# Schedule forming part of the Financial Statements

## for the year ended 31st December, 2010

### SCHEDULE "P" (Contd.)

#### (vii) Experience Adjustments

	Rupees			
	Year ended			
	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Defined Benefit Obligation	19,675,958	20,239,334	26,875,385	38,658,848
Plan Assets	16,736,124	4,243,197	8,253,178	24,490,592
Surplus/(Deficit)	(2,939,834)	(15,996,137)	(18,622,207)	(14,168,256)
Experience Adjustments on plan Liabilities	3,001,770	(1,384,701)	515,076	7,515,641
Experience Adjustments on plan Assets	627,609	(418,411)	(4,046,403)	2,700,397

(c) Leave encashment write back during the year amount to ₹ 12,288,025 (Previous Year Charge - ₹ 8,329,521).

- (l) During the Previous Year ended 31st December, 2009 the Management had reviewed the operations of its various Divisions and Branches, and based on this review, the Management has restructured its businesses/branches and centralized travel operations, thereby incurred personnel cost of ₹ 18,671,840.
- (m) As per the provision of Section 115JAA, MAT Credit receivable has been recognized on the basis of return of income filed for the Previous Years. MAT credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period (as per the Income Tax Act, 1961). MAT credit is recognised as an asset in accordance with the recommendation contained in guidance note issued by the Institute of Chartered Accountants of India and disclosed in the schedule "I", Loans and Advances. The said assets is created by the way of credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company will review the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period (as per the Income Tax Act, 1961).
- (n) Payroll cost and other expenses includes cost transferred from Thomas Cook (India) Limited towards common expenses incurred for Leisure Inbound business aggregating to ₹ 53,957,769.
- (o) Previous Year figures have been regrouped where necessary.

In terms of our report of even date

For and on behalf of the Board

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

MADHAVAN MENON – Director  
VINAYAK K. PUROHIT – Director  
RAKSHIT DESAI – Director

VASANT GUJARATHI  
Partner  
Membership No. 17866

Mumbai, 17th February, 2011

Mumbai, 17th February, 2011

# Balance Sheet Abstract and Company's General Business Profile

## I. Registration Details

Registration No.

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

State Code

1	1
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Balance Sheet Date

3	1	1	2	2	0	1	0
Date		Month		Year			

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

Total Liabilities*							
-	-	6	0	7	2	1	5

Total Assets							
-	-	6	0	7	2	1	5

Sources of Funds

Paid-up Capital							
-	-	-	1	5	7	6	7

Reserves and Surplus							
-	-	5	5	9	8	0	4

Secured Loans							
-	-	N	I	L	-	-	-

Unsecured Loans							
-	-	N	I	L	-	-	-

\*Total Liabilities includes Deferred Taxation (Net) of ₹ 31,644 thousands.

Application of Funds

Net Fixed Assets							
-	-	2	6	6	8	6	9
Net Current Assets							
-	-	2	7	0	3	4	5
Accumulated Losses							
-	-	N	I	L	-	-	-

Investments							
-	-	-	7	0	0	0	0
Miscellaneous Expenditure							
-	-	N	I	L	-	-	-

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

Revenue							
-	-	4	5	3	0	9	6

Total Expenditure							
-	-	3	3	7	0	2	4

+	-
✓	

Profit/Loss before tax							
-	-	1	1	6	0	7	2

+	-
✓	

Profit/Loss after tax							
-	-	-	7	2	6	3	4

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

+	-
✓	
✓	

Earning per Share in ₹							
Basic (EPS)		4	6	.	0	7	
Diluted (EPS)		4	6	.	0	7	

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
---	---	---	---	--	---	---	---	---	---	---	---	---	---

Item Code No. (ITC Code) 

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

Product Description 

-	-	-	-	-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---	---	---	---	---

For and on behalf of the Board

MADHAVAN MENON – Director  
 VINAYAK K. PUROHIT – Director  
 RAKSHIT DESAI – Director

Mumbai, 17th February, 2011

# Cash Flow Statement

## for the year ended 31st December, 2010

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before Taxation		116,072,303		(23,101,992)
Adjustments for -				
Depreciation	12,931,547		13,830,808	
Interest Income	(6,385,022)		(523,015)	
Interest and Other Finance Expenses	1,921,209		1,778,057	
Dividend Income	(904,424)		(291,959)	
(Profit)/Loss on Sale of Fixed Assets (Net)	(129,348,193)		6,654,171	
		(121,784,883)		21,448,062
Operating (Loss) before working capital changes		(5,712,580)		(1,653,930)
Adjustments for -				
Trade and Other Receivables	(102,354,656)		130,712,614	
Trade and Other Payables	46,933,408		13,823,883	
		(55,421,248)		144,536,497
Cash (utilised in)/generated from operations		(61,133,828)		142,882,567
Direct Taxes refund/(paid) (Net)	34,151,817		(4,320,922)	
		34,151,817		(4,320,922)
Net cash (used in)/from operating activities		(26,982,011)		138,561,645
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(170,835,132)		(22,730,313)	
Sale of Fixed Assets	148,406,729		4,037,205	
Purchase/(Sale) of Investments (Net)	250,032,699		(320,032,699)	
Interest Received	6,272,169		649,915	
Dividend Received	904,424		291,959	
Net cash from/(used in) investing activities		234,780,889		(337,783,933)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest and Other Finance Expenses paid	(1,921,209)		(1,914,894)	
Payment of Hire Purchase Loan	—		(125,459)	
Net cash used in financing activities		(1,921,209)		(2,040,353)
Net increase/(decrease) in cash and cash equivalents		205,877,669		(201,262,641)
Cash and Cash Equivalents - Opening Balance		97,835,377		299,098,018
Cash and Cash Equivalents - Closing Balance		303,713,046		97,835,377

### NOTES:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements, notified under sub-section (3C) of Section 211 of Companies Act, 1956.
- Previous Year figures have been regrouped where necessary.

In terms of our report of even date

For and on behalf of the Board

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

MADHAVAN MENON – Director  
VINAYAK K. PUROHIT – Director  
RAKSHIT DESAI – Director

VASANT GUJARATHI  
Partner  
Membership No. 17866

Mumbai, 17th February, 2011

Mumbai, 17th February, 2011



# Directors' Report

## To the Members:

Your Directors have pleasure in presenting the Twenty-Second Annual Report and the Balance Sheet and Profit and Loss Account for the financial year ended 31st December, 2010.

## Operations

The Company continues to focus on its core proposition - Travel Insurance to all the travelling customers. The thrust was on offering Travel Insurance to all customers of Thomas Cook – walk-in customers at Thomas Cook branches, corporate customers or customers accessing the [www.thomascook.in](http://www.thomascook.in) web portal.

The insurance portfolio included products suiting the needs of the holiday traveller, the business traveller, student travelling for overseas education, domestic traveller among others. Additional insurance offerings viz. the lost wallet and fraudulent charges enhanced the products offered.

In order to leverage on the brand and the network, the life insurance initiative was started in conjunction with Bajaj Allianz Life Insurance Company.

Our Principal, TATA AIG General Insurance Company Limited continues to underwrite all risks. The Company is also in preparation to cross-sell other insurance products, besides Travel Insurance.

## Financial Results

	Rupees (Millions)	
	Year ended 31st December, 2010	Year ended 31st December, 2009
Profit before Taxation	4.90	8.60
Provision for Taxation	(0.63)	(9.06)
Provision for Fringe Benefit Tax	—	0.06
Profit after Taxation	4.27	(0.40)
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. Vinayak K. Purohit retires by rotation and being eligible offers himself for re-appointment.

## Auditors

M/s. Lovelock & Lewes, Chartered Accountants, Firm Registration No. 301056E, 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.

## 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

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:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. 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;
3. 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;
4. 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: 17th February, 2011

# Auditors' Report

## 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 (the "Company") as at 31st December, 2010, 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, 2010 and taken on record by the Board of Directors, no director is disqualified as on 31st December, 2010 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 Schedules A to M annexed 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, 2010;
    - (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.

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

VASANT GUJARATHI  
Partner  
Membership Number: 17866  
Mumbai, 17th February, 2011

## Annexure to Auditors' Report

[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, 2010]

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.
- (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.
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. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register maintained under that section.
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 provident fund, employees' state insurance, income-tax, service tax, cess and other material statutory dues as applicable with the appropriate authorities. As informed to us investor education and protection fund, sales tax, customs duty, and excise duty are not applicable to the Company during the year.
- (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, wealth tax, service tax and cess which have not been deposited on account of any dispute.
7. The Company has no accumulated losses as at 31st December, 2010 and it 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 holder as at the balance sheet date.
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, 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 a 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, and according to the information and explanations given to us, we have neither come across any instance of fraud 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.

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

VASANT GUJARATHI  
Partner  
Membership Number: 17866  
Mumbai, 17th February, 2011

# Balance Sheet

## as at 31st December, 2010

	Schedule	As at 31st December, 2010		As at 31st December, 2009	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>					
Shareholders' Funds					
Capital	A		500,000		500,000
Reserves and Surplus	B		25,015,635		20,748,441
	Total		<u>25,515,635</u>		<u>21,248,441</u>
<b>APPLICATION OF FUNDS</b>					
Deferred Tax Assets	C		2,275,778		2,306,187
Current Assets, Loans and Advances					
Sundry Debtors	D	7,008,795		3,093,649	
Cash and Bank Balances	E	3,292,500		2,821,444	
Loans and Advances	F	21,199,237		22,842,876	
			<u>31,500,532</u>		<u>28,757,969</u>
Less: Current Liabilities and Provisions					
Liabilities	G	8,028,720		9,578,589	
Provisions	H	231,955		237,126	
			<u>8,260,675</u>		<u>9,815,715</u>
Net Current Assets			<u>23,239,857</u>		<u>18,942,254</u>
	Total		<u>25,515,635</u>		<u>21,248,441</u>
Notes to the Financial Statements	M				
Schedules "A" to "H" and "M" referred to above form an integral part of the Balance Sheet.					

In terms of our report of even date

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

VASANT GUJARATHI  
Partner  
Membership No. 17866

Mumbai, 17th February, 2011

For and on behalf of the Board

MADHAVAN MENON – Director  
VINAYAK K. PUROHIT – Director  
RAKSHIT DESAI – Director

Mumbai, 17th February, 2011

# Profit and Loss Account

## for the year ended 31st December, 2010

	Schedule	Year ended 31st December, 2010		Year ended 31st December, 2009	
		Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>					
Revenue		21,993,900		12,580,869	
Other Income	I	45,935,308		23,085,356	
			67,929,208		35,666,225
<b>EXPENDITURE</b>					
Personnel Cost	J	27,442,669		14,358,458	
Advertisement and Business Promotion		605,818		96,616	
Other Expenses	K	34,942,923		12,588,337	
Interest and Other Finance Expenses	L	39,096		22,059	
			63,030,506		27,065,470
<b>PROFIT BEFORE TAXATION</b>			4,898,702		8,600,755
Provision for Taxation					
Current Tax		1,500,000		1,835,360	
Less: MAT Entitlement Credit [Refer Note 2(h) of Schedule "M"]		(898,901)		-	
		601,099		1,835,360	
Short/(Excess) Provision of Fringe Benefit Tax for earlier years		-		(55,000)	
Deferred Tax		30,409		7,222,211	
			631,508		9,002,571
<b>PROFIT/(LOSS) AFTER TAXATION</b>			4,267,194		(401,816)
Balance brought forward from previous year			20,278,211		20,680,027
Balance Carried to Balance Sheet			24,545,405		20,278,211
Earnings Per Share - Basic and Diluted [₹ per Equity Share of ₹ 10 each] [Refer Note 2(e) of Schedule "M"]			85.34		(8.04)
Notes to the Financial Statements	M				
Schedules "I" to "M" referred to above form an integral part of the Profit and Loss Account.					

In terms of our report of even date

For and on behalf of the Board

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

MADHAVAN MENON – Director  
VINAYAK K. PUROHIT – Director  
RAKSHIT DESAI – Director

VASANT GUJARATHI  
Partner  
Membership No. 17866

Mumbai, 17th February, 2011

Mumbai, 17th February, 2011

# Schedules forming part of the Balance Sheet

## as at 31st December, 2010

	As at 31st December, 2010		As at 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "A" : CAPITAL</b>				
Authorised				
500,000 Equity Shares of ₹10 each		5,000,000		5,000,000
Issued and Subscribed				
50,000 Equity Shares of ₹ 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		24,545,405		20,278,211
		25,015,635		20,748,441
<b>SCHEDULE "C" : DEFERRED TAX ASSETS</b>				
- On Provision allowable for tax purposes when paid		432,770		261,794
- On Provision for Doubtful Debts		1,843,008		2,044,393
		2,275,778		2,306,187
<b>SCHEDULE "D" : SUNDRY DEBTORS</b>				
Unsecured, Considered Good				
Outstanding exceeding six months		—		—
Others		7,008,795		3,093,649
		7,008,795		3,093,649
Unsecured, Considered Doubtful				
Outstanding exceeding six months		5,964,428		6,014,689
Less: Provision for Doubtful Debts		5,964,428		6,014,689
		—		—
		7,008,795		3,093,649

# Schedules forming part of the Balance Sheet

## as at 31st December, 2010

	As at 31st December, 2010		As at 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE “E” : CASH AND BANK BALANCES</b>				
Cash and Cheques on Hand		484,158		233,227
Balances with Scheduled Banks				
On Current Accounts		2,808,342		2,588,217
		<u>3,292,500</u>		<u>2,821,444</u>
<b>SCHEDULE “F” : LOANS AND ADVANCES</b>				
(Unsecured, Considered Good unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received		4,743,907		7,811,625
MAT Credit Entitlement [Refer Note 2(h) of Schedule “M”]		898,901		—
Tax Payments less Provisions [Net of Provision for tax ₹ 17,590,640 (Previous Year ₹ 16,090,640)]		15,556,429		15,031,251
		<u>21,199,237</u>		<u>22,842,876</u>
<b>SCHEDULE “G” : LIABILITIES</b>				
Sundry Creditors other than Micro and Small Scale Business Entities [Refer Note 2(g) of Schedule “M”]		7,502,434		8,997,497
Payable to Holding Company		—		525,647
Other Liabilities		526,286		55,445
		<u>8,028,720</u>		<u>9,578,589</u>
<b>SCHEDULE “H” : PROVISIONS</b>				
Provision for Leave Encashment		—		48,420
Provision for Gratuity		231,955		188,706
		<u>231,955</u>		<u>237,126</u>

## Schedules forming part of the Profit and Loss Account for the year ended 31st December, 2010

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "I" : OTHER INCOME</b>				
Recovery of Expenses		43,635,535		22,330,338
Referral Income		1,340,988		96,584
Interest on Income Tax refund		784,801		—
Miscellaneous Income		173,984		658,434
		<u>45,935,308</u>		<u>23,085,356</u>
<b>SCHEDULE "J" : PERSONNEL COST</b>				
Salaries, Wages and Bonus		19,712,723		9,051,103
Contribution to Provident and Other Funds		825,832		466,195
Provision for Gratuity-cum-Life Assurance Policy (Net)		43,249		27,791
Staff Welfare Expenses		859,960		409,414
Staff Recruitment and Other Costs		1,081,988		397,078
Incentive to Staff		4,918,917		4,006,877
		<u>27,442,669</u>		<u>14,358,458</u>
<b>SCHEDULE "K" : OTHER EXPENSES</b>				
Rent		752,693		339,964
Rates and Taxes		32,734		12,762
Repairs and Maintenance - Others		1,012,342		486,541
Printing and Stationery		150,983		84,701
Postage, Telegrams, Telex and Telephones		1,064,371		388,179
Legal and Professional Charges		29,329,893		7,948,651
Auditors' Remuneration				
Audit Fees	25,000		27,575	
Reports under the provisions of the Income-tax Act, 1961	25,000		27,575	
Reimbursement of Expenses	1,800		1,735	
		51,800		56,885
Travelling and Conveyance		2,258,858		851,244
Bad Debt written off		—		23,151,759
(Write Back)/Provision for Doubtful Debts (Net)		(50,261)		(20,953,101)
Miscellaneous Expenses		339,510		220,752
		<u>34,942,923</u>		<u>12,588,337</u>
<b>SCHEDULE "L" : INTEREST AND OTHER FINANCE EXPENSES</b>				
Other Finance Expenses		<u>39,096</u>		<u>22,059</u>



# Schedule forming part of the Financial Statements

## for the year ended 31st December, 2010

### SCHEDULE "M" : 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 notified under sub-section (3C) of Section 211 of Companies Act, 1956 (the 'Act') and the other relevant provisions of 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) Revenue

Revenue comprises of insurance commission in the normal course of business as the corporate insurance agent of Tata AIG General Insurance Company Limited.

(c) Revenue Recognition

Commission on insurance policies sold is recognised on the effective commencement of the policies.

(d) 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.

(e) Employee Benefits

The Company has Defined Contribution Plans for post employment benefits in the form of Provident Fund. Contributions to Provident Fund is 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 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.

#### 2. Notes to the Financial Statements

- (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, 2010 and the provision based on the figures for the remaining nine months up to 31st December, 2010, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2010 to 31st March, 2011.

	As at 31st December, 2010 Rupees	As at 31st December, 2009 Rupees
(b) Contingent Liabilities		
Claims against the Company not acknowledged as debts		
Disputed Income Tax Demand	2,433,272	4,859,212

(c) Segmental Reporting

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.

# Schedule forming part of the Financial Statements

## for the year ended 31st December, 2010

### SCHEDULE "M" (Contd.)

#### (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 55.77% of Equity Shares of Thomas Cook (India) Limited. Thomas Cook UK Limited, the holding company of TCIM Limited, UK owns 21.41% of the Equity Shares of Thomas Cook (India) Limited. Thomas Cook UK Limited 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, 2010 Rupees	As at 31st December, 2009 Rupees
Reimbursement of Expenses (Net)		
Thomas Cook (India) Limited	29,404,807	16,235,719
Balances as at the year end –		
Outstanding Receivable/ (Payable)		
Thomas Cook (India) Limited	–	(525,647)

- (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:

	Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees
Profit/(Loss) after Taxation	4,267,194	(401,816)
Weighted average number of shares	50,000	50,000
Basic and Diluted Earnings Per Share (₹ per Equity Share of ₹ 10 each)	85.34	(8.04)

#### (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, 2010:-

Present Value of Funded Obligations	–	–
Fair Value of Plan Assets	–	–
Present Value of Unfunded Obligations	231,955	188,706
Unrecognised Past Service Cost	–	–
Amount not Recognised as an Asset	–	–
Net Liability	231,955	188,706
Amounts in Balance Sheet		
Liability	231,955	188,706
Assets	–	–
Net Liability	231,955	188,706

- (ii) The amount recognised in the statement of profit and loss are as follows:-

Current Service Cost	47,319	63,997
Interest on Defined Benefit Obligation	16,969	13,083
Expected return on Plan Assets	–	–
Net Actuarial Losses/(Gains) Recognised in the year	(21,039)	(49,289)

# Schedule forming part of the Financial Statements

## for the year ended 31st December, 2010

### SCHEDULE "M" (Contd.)

	Year ended 31st December, 2010	Year ended 31st December, 2009
	Rupees	Rupees
Past Service Cost	—	—
Losses/(Gains) on Curtailments & Settlements	—	—
Losses/(Gains) on Acquisition & Divestiture	—	—
Total included in Employee Benefits Expense	43,249	27,791
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	188,706	160,915
Current Service Cost	47,319	63,997
Interest Cost	16,969	13,083
Actuarial Losses/(Gain)	(21,039)	(49,289)
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	231,955	188,706
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.)*	8.00%	7.60%
Expected Rate of Return on Assets (p.a.)**	0.00%	0.00%
Salary Escalation Rate (p.a.)***	6.00%	6.00%

\* 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.

# Schedule forming part of the Financial Statements

## for the year ended 31st December, 2010

### SCHEDULE "M" (Contd.)

#### (vi) Experience Adjustments

	Rupees			
	Year ended			
	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Defined Benefit Obligation	231,955	188,706	160,915	99,100
Plan Assets	—	—	—	—
Surplus/(Deficit)	(231,955)	(188,706)	(160,915)	(99,100)
Experience Adjustments on plan Liabilities	(11,649)	(24,346)	(33,997)	—
Experience Adjustments on plan Assets	—	—	—	—

#### (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, 2010. 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) As per the provision of Section 115JAA, MAT Credit receivable has been recognized on the basis of return of income filed for the previous years. MAT credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period (as per Income Tax Act, 1961). MAT credit is recognised as an asset in accordance with the recommendation contained in guidance note issued by the Institute of Chartered Accountants of India and disclosed in the Schedule "F", 'Loans and Advances'. The said assets is created by the way of credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company will review the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period (as per the Income tax Act, 1961).

#### (i) Previous year figures have been regrouped where necessary.

In terms of our report of even date

For and on behalf of the Board

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

MADHAVAN MENON — Director  
VINAYAK K. PUROHIT — Director  
RAKSHIT DESAI — Director

VASANT GUJARATHI  
Partner  
Membership No. 17866

Mumbai, 17th February, 2011

Mumbai, 17th February, 2011

# Balance Sheet Abstract and Company's General Business Profile

## I. Registration Details

Registration No.

1	1	—	5	4	7	6	0
---	---	---	---	---	---	---	---

Balance Sheet Date

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

Date

Month

Year

State Code

1	1
---	---

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

Public Issue

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

Bonus Issue

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

Rights Issue

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

Private Placement

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

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

Total Liabilities

—	—	—	2	5	5	1	5
---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

—	—	—	—	—	5	0	0
---	---	---	---	---	---	---	---

Secured Loans

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

Application of Funds

Net Fixed Assets

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

Net Current Assets\*

			2	5	5	1	6
--	--	--	---	---	---	---	---

Accumulated Losses

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

\*Net Current Assets includes Deferred Taxation (Net) of ₹ 2,276 thousands.

Total Assets

—	—	—	2	5	5	1	5
---	---	---	---	---	---	---	---

Reserves and Surplus

—	—	—	2	5	0	1	6
---	---	---	---	---	---	---	---

Unsecured Loans

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

Investments

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

Miscellaneous Expenditure

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

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

Turnover

—	—	—	6	7	9	2	9
---	---	---	---	---	---	---	---

Total Expenditure

—	—	—	6	3	0	3	0
---	---	---	---	---	---	---	---

+	—
✓	

Profit/Loss before tax

—	—	—	—	4	8	9	9
---	---	---	---	---	---	---	---

+	—
✓	

Profit/Loss after tax

—	—	—	4	2	6	7	
---	---	---	---	---	---	---	--

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

+	—
✓	

Earning per Share in ₹

—	—	—	8	5	.	3	4
---	---	---	---	---	---	---	---

Dividend rate %

—	—	—
---	---	---

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

Item Code No.

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

(ITC Code)

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.

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

(ITC Code)

Product Description

—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Item Code No.

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

(ITC Code)

Product Description

—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

For and on behalf of the Board

MADHAVAN MENON

— Director

VINAYAK K. PUROHIT

— Director

RAKSHIT DESAI

— Director

Mumbai, 17th February, 2011

# Cash Flow Statement

## for the year ended 31st December, 2010

	Year ended 31st December, 2010		Year ended 31st December, 2009	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Taxation		4,898,702		8,600,755
Adjustments for -				
Interest and Other Finance Expenses	39,096		22,059	
		39,096		22,059
Operating profit before working capital changes		4,937,798		8,622,814
Adjustments for -				
Trade and Other Receivables	(1,746,329)		(861,871)	
Trade and Other Payables	(1,555,040)		(255,228)	
		(3,301,369)		(1,117,099)
Cash generated from operations		1,636,429		7,505,715
Direct Taxes paid (Net of refund of taxes)	(1,126,277)		(7,413,806)	
		(1,126,277)		(7,413,806)
Net cash from operating activities		510,152		91,909
<b>B. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest and Other Finance Expenses paid	(39,096)		(22,059)	
Net cash used in financing activities		(39,096)		(22,059)
Net increase in cash and cash equivalents		471,056		69,850
Cash and Cash Equivalents - Opening Balance		2,821,444		2,751,594
Cash and Cash Equivalents - Closing Balance		3,292,500		2,821,444

**NOTES:**

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements, notified under sub-section (3C) of Section 211 of Companies Act, 1956.
- Previous year figures have been regrouped where necessary.

In terms of our report of even date

For and on behalf of the Board

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

MADHAVAN MENON – Director  
VINAYAK K. PUROHIT – Director  
RAKSHIT DESAI – Director

VASANT GUJARATHI  
Partner  
Membership No. 17866

Mumbai, 17th February, 2011

Mumbai, 17th February, 2011

## Directors' Report

### To the Members

Your Directors have pleasure in presenting the Twenty-Second Annual Report together with the Balance Sheet and Profit and Loss Account for the year ended 31st December, 2010.

### Operations

There were no business activities carried on throughout the financial year ended 31st December, 2010.

### 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 of the Company, Mr. Vinayak K. Purohit retires by rotation and being eligible, offers himself for re-appointment.

### Auditors

M/s. Lovelock & Lewes, Chartered Accountants, Firm Registration No. 301056E, 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.

### 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 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;
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, 17th February, 2011

## Auditors' Report

To the Members of Thomas Cook Tours Limited

1. We have audited the attached Balance Sheet of Thomas Cook Tours Limited (the "Company") as at 31st December, 2010, 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, 2010 and taken on record by the Board of Directors, no director is disqualified as on 31st December, 2010 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 Schedules A to F annexed 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, 2010;
  - (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.

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

VASANT GUJARATHI  
Partner  
Membership Number: 17866  
Mumbai, 17th February, 2011

## Annexure to 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, 2010]

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.
- (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.
2. There are no transactions of purchase of inventory, fixed assets and sale of goods during the year.
3. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register maintained under that section.
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 Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed ₹ 50 lakhs or the average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed ₹ 5 crores, Clause (vii) of paragraph 4 of the Order is not applicable for the year.
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 as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues as applicable with appropriate authorities which have not been deposited on account of any dispute.
7. The Company has accumulated losses of ₹ 52,932 as at 31st December, 2010. Company has not incurred any cash losses in the current financial year 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 holder as at the balance sheet date.
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, 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 a 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, and according to the information and explanations given to us, we have neither come across any instance of fraud 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.

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

VASANT GUJARATHI  
Partner  
Membership Number: 17866  
Mumbai, 17th February, 2011

## Balance Sheet as at 31st December, 2010

Schedule	As at 31st December, 2010 Rupees	As at 31st December, 2009 Rupees
<b>SOURCES OF FUNDS</b>		
Shareholders' Funds		
Capital		
A	500,000	500,000
Total	500,000	500,000
<b>APPLICATION OF FUNDS</b>		
Current Assets, Loans and Advances		
Cash and Bank Balances	B	466,006
Loans and Advances	C	18,480
Less: Current Liabilities and Provisions Liabilities		
Liabilities	D	34,972
Provisions	E	2,446
Net Current Assets		447,068
Profit and Loss Account		52,932
Total	500,000	500,000
Notes to the Financial Statements Schedules "A" to "F" referred to above form an integral part of the Balance Sheet.	F	

In terms of our report of even date  
For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants

VASANT GUJARATHI  
Partner  
Membership No. 17866  
Mumbai, 17th February, 2011

For and on behalf of the Board

MADHAVAN MENON — Director  
VINAYAK K. PUROHIT — Director  
RAKSHIT DESAI — Director

Mumbai, 17th February, 2011

## Profit and Loss Account for the year ended 31st December, 2010

Schedule	Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees
<b>INCOME</b>		
Interest on Fixed Deposit	31,260	21,135
[Tax deducted at source ₹ 2,954 (Previous Year ₹ Nil)]	31,260	21,135
<b>EXPENDITURE</b>		
Legal and Professional Charges	3,000	5,500
Audit Fees	13,236	13,236
<b>TOTAL EXPENDITURE</b>	16,236	18,736
Profit before Taxation	15,024	2,399
Provision for Taxation		
Current Tax	5,000	400
Net Profit	10,024	1,999
Balance brought forward from previous year	(62,956)	(64,955)
Balance carried to Balance Sheet	(52,932)	(62,956)
Earnings per Share - Basic and Diluted [₹ per Equity Share of ₹ 10 each]	0.20	0.04
Refer Note 3(e) of Schedule "F"		
Notes to the Financial Statements Schedule "F" referred to above form an integral part of the Profit and Loss Account.	F	

In terms of our report of even date

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants  
VASANT GUJARATHI  
Partner  
Membership No. 17866  
Mumbai, 17th February, 2011

For and on behalf of the Board

MADHAVAN MENON — Director  
VINAYAK K. PUROHIT — Director  
RAKSHIT DESAI — Director

Mumbai, 17th February, 2011

## Schedules forming part of the Balance Sheet as at 31st December, 2010

	As at 31st December, 2010 Rupees	As at 31st December, 2009 Rupees
<b>SCHEDULE "A" : CAPITAL</b>		
Authorised		
500,000 equity shares of ₹ 10/- each	5,000,000	5,000,000
	5,000,000	5,000,000
Issued and Subscribed		
50,000 equity shares of ₹ 10/- each fully paid.	500,000	500,000
All the above 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 in Hand	30	30
Balances with Scheduled Banks		
On Current Accounts	35,015	35,015
On Deposit Accounts	430,961	400,000
	466,006	435,045
<b>SCHEDULE "C" : LOANS AND ADVANCES</b>		
Accrued Interest	18,480	21,135
	18,480	21,135
<b>SCHEDULE "D" : LIABILITIES</b>		
Payable to Holding Company	8,500	5,500
Audit Fees Payable	26,472	13,236
	34,972	18,736
<b>SCHEDULE "E" : PROVISIONS</b>		
Provision for Taxes [Net of advance tax ₹ 2,954 (Previous Year ₹ Nil)]	2,446	400
	2,446	400

## Schedule forming part of the Financial Statements for the year ended 31st December, 2010

### SCHEDULE "F" : 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. Its 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 notified under sub-section (3C) of Section 211 of Companies Act, 1956 (the 'Act') and the other relevant provisions of the Act. The significant accounting policies are as follows:

- Basis of Accounting  
The financial statements are prepared in accordance with the historical cost convention.
- Revenue Recognition  
Revenue is accounted on accrual basis.
- Taxes on Income  
Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to 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. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

#### 3. Notes to the Accounts

- The tax year for the Company being the year ending 31st March, the provision for taxation for the year is the aggregate of the provision made for the three months ended 31st March, 2010 and the provision based on the figures for the remaining nine months up to 31st December, 2010, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2010 to 31st March, 2011.
- Segmental Information  
Since the Company has no operations there are no reportable segments.
- 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, 2010. 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
- Related Party Disclosures
  - Enterprises where control exists  
Holding Company  
Thomas Cook (India) Limited, India and its nominees holds 100% of equity shares of the Company. TCIM Limited, UK holds 55.77% of Equity Shares of Thomas Cook (India) Limited. Thomas Cook UK Limited, the holding company of TCIM Limited, UK owns 21.41% of Equity Shares of Thomas Cook (India) Limited. Thomas Cook UK Limited is a step down subsidiary of Thomas Cook Group plc, the ultimate holding company.



(B) Key Management Personnel Madhavan Menon  
Vinayak K. Purohit  
Rakshit Desai

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

	Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees
(i) Reimbursement of Expenses Thomas Cook (India) Limited	3,000	5,500
(ii) Balances as at the year end - Outstanding Payables Thomas Cook (India) Limited	8,500	5,500
(e) Basic Earnings per share has been calculated by dividing Net profit/(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:		
	Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees
Profit/(Loss) after tax	10,024	1,999
Weighted average number of shares - Basic and Diluted	50,000	50,000
Basic/Diluted Earnings per Share (₹ per Equity Share of ₹ 10 each)	0.20	0.04
(f) Previous year figures have been regrouped where necessary.		

In terms of our report of even date  
For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants  
VASANT GUJARATHI  
Partner  
Membership No. 17866  
Mumbai, 17th February, 2011

For and on behalf of the Board  
MADHAVAN MENON – Director  
VINAYAK K. PUROHIT – Director  
RAKSHIT DESAI – Director  
Mumbai, 17th February, 2011

## Cash Flow Statement for the year ended 31st December, 2010

	Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) before taxation	15,024	2,399
Adjustment for -		
Interest Income	(31,260)	(21,135)
Operating profit/(loss) before working capital changes	(16,236)	(18,736)
Adjustments for -		
Trade and Other Receivables	–	–
Trade and Other Payables	16,236	18,736
Cash generated from/(used in) operations	–	–
Direct taxes paid (Net of provision)	(2,954)	–
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	33,915	–
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net decrease in cash and cash equivalent	30,961	–
Cash and cash equivalents - Opening balance	435,045	435,045
Cash and cash equivalents - Closing balance	466,006	435,045

### NOTES:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements, notified under sub-section (3C) of Section 211 of The Companies Act, 1956.
- Previous year figures have been regrouped where necessary.

In terms of our report of even date  
For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants  
VASANT GUJARATHI  
Partner  
Membership No. 17866  
Mumbai, 17th February, 2011

For and on behalf of the Board  
MADHAVAN MENON – Director  
VINAYAK K. PUROHIT – Director  
RAKSHIT DESAI – Director  
Mumbai, 17th February, 2011

## Balance Sheet Abstract and Company's General Business Profile

### I. Registration Details

Registration No. 1 1 - 5 4 7 6 1 State Code 1 1

Balance Sheet Date 3 1 1 2 2 0 1 0  
Date Month Year

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

Total Liabilities	Total Assets
- - - - - 5 0 0	- - - - - 5 0 0

#### Sources of Funds

Paid-up Capital	Reserves & Surplus
- - - - - 5 0 0	- - - N I L - -
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	Misc. Expenditure to the extent not written off
- - - - - 4 4 7	- - - N I L - -
Accumulated Losses	
- - - - - 5 3	

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

Turnover	Total Expenditure
- - - - - 3 1	- - - - - 1 6
+ - Profit/Loss before tax	+ - Profit/Loss after tax
✓ - - - - - 1 5	✓ - - - - - 1 2
(Please tick Appropriate box + for Profit, – for Loss)	
+ - Earning per Share in ₹	Dividend rate %
✓ - - - - 0 . 2 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	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
Item Code No. (ITC Code)	N O T A P P L I C A B L E
Product Description	- - - - - - - - - - -

\*Note: Turnover includes other income.

For and on behalf of the Board

MADHAVAN MENON – Director  
VINAYAK K. PUROHIT – Director  
RAKSHIT DESAI – Director

Mumbai, 17th February, 2011

## Directors' Report

### To the Members

Your Directors have pleasure in presenting the Twenty-Second Annual Report together with the Balance Sheet and Profit and Loss Account for the year ended 31st December, 2010.

### Operations

There were no business activities carried on throughout the financial year ended 31st December, 2010.

### 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 of the Company, Mr. Vinayak K. Purohit retires by rotation and being eligible, offers himself for re-appointment.

### Auditors

M/s. Lovelock & Lewes, Chartered Accountants, Firm Registration No. 301056E, 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.

### 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:

- In the preparation of the annual accounts, the applicable accounting standards were followed alongwith proper explanation relating to material departures;
- The accounting policies were selected and applied 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;
- 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;
- 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, 17th February, 2011

## Auditors' Report

To the Members of Indian Horizon Travel & Tours Limited

- We have audited the attached Balance Sheet of Indian Horizon Travel & Tours Limited (the "Company") as at 31st December, 2010, 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.
- 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.
- 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.
- Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - 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;
  - 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;
  - The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - 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;

- On the basis of written representations received from the directors, as on 31st December, 2010 and taken on record by the Board of Directors, no director is disqualified as on 31st December, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- 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 Schedules A to F annexed 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:
  - in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2010;
  - in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For LOVELOCK & LEWES

Firm Registration Number: 301056E

Chartered Accountants

VASANT GUJARATHI

Partner

Membership Number: 17866

Mumbai, 17th February, 2011

## Annexure to Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Indian Horizon Travel & Tours Limited on the financial statements for the year ended 31st December, 2010]

- 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.
  - 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.
- There are no transactions of purchase of inventory, fixed assets and sale of goods during the year.
- According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register maintained under that section.
- 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.
- As the Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed ₹ 50 lakhs or the average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed ₹ 5 crores, clause (vii) of paragraph 4 of the Order is not applicable for the year.
- 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.
  - According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues as applicable with appropriate authorities which have not been deposited on account of any dispute.
- The Company has accumulated losses of ₹ 53,097 as at 31st December, 2010. Company has not incurred any cash losses in the current financial year or in the immediately preceding financial year.
- 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 as at the balance sheet date.
- The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
- In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- 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.
- The Company has not obtained any term loans.
- 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 a short-term basis which have been used for long-term investment.
- 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.
- The Company has not issued any debentures.
- The Company has not raised any money by public issues during the year.
- 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, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- 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.

For LOVELOCK & LEWES

Firm Registration Number: 301056E

Chartered Accountants

VASANT GUJARATHI

Partner

Membership Number: 17866

Mumbai, 17th February, 2011

## Balance Sheet

as at 31st December, 2010

	Schedule	As at 31st December, 2010 Rupees	As at 31st December, 2009 Rupees
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds			
Capital	A	500,000	500,000
	Total	500,000	500,000
<b>APPLICATION OF FUNDS</b>			
Current Assets, Loans and Advances			
Cash and Bank Balances	B	465,841	434,880
Loans and Advances	C	18,480	21,135
Less: Current Liabilities and Provisions Liabilities			
Liabilities	D	34,972	18,736
Provisions	E	2,446	400
Net Current Assets		446,903	436,879
Profit and Loss Account		53,097	63,121
	Total	500,000	500,000
Notes to the Financial Statements	F		
Schedules "A" to "F" referred to above form an integral part of the Balance Sheet.			

In terms of our report of even date  
For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants  
VASANT GUJARATHI  
Partner  
Membership No. 17866  
Mumbai, 17th February, 2011

For and on behalf of the Board  
MADHAVAN MENON – Director  
VINAYAK K. PUROHIT – Director  
RAKSHIT DESAI – Director  
Mumbai, 17th February, 2011

## Profit and Loss Account

for the year ended 31st December, 2010

	Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees
<b>INCOME</b>		
Interest on Fixed Deposit	31,260	21,135
[Tax deducted at source ₹ 2,954 (Previous Year ₹ Nil)]		
	31,260	21,135
<b>EXPENDITURE</b>		
Legal and Professional Charges	3,000	5,500
Audit Fees	13,236	13,236
<b>TOTAL EXPENDITURE</b>	<b>16,236</b>	<b>18,736</b>
Profit before Taxation	15,024	2,399
Provision for Taxation		
Current Tax	5,000	400
Net Profit	10,024	1,999
Balance brought forward from previous year	(63,121)	(65,120)
Balance carried to Balance Sheet	(53,097)	(63,121)
Earnings per Share-Basic and Diluted	0.20	0.04
[₹ per Equity Share of ₹ 10 each]		
Refer Note 3(e) of Schedule "F"		
Notes to the Financial Statements	Schedule F	
Schedule "F" referred to above form an integral part of the Profit and Loss Account.		

In terms of our report of even date  
For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants  
VASANT GUJARATHI  
Partner  
Membership No. 17866  
Mumbai, 17th February, 2011

For and on behalf of the Board  
MADHAVAN MENON – Director  
VINAYAK K. PUROHIT – Director  
RAKSHIT DESAI – Director  
Mumbai, 17th February, 2011

## Schedules forming part of the Balance Sheet

as at 31st December, 2010

	As at 31st December, 2010 Rupees	As at 31st December, 2009 Rupees
<b>SCHEDULE "A" : CAPITAL</b>		
Authorised		
500,000 equity shares of ₹ 10/- each	5,000,000	5,000,000
	5,000,000	5,000,000
Issued and Subscribed		
50,000 equity shares of ₹ 10/- each fully paid.	500,000	500,000
All the above 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 in Hand	30	30
Balances with Scheduled Banks		
On Current Accounts	34,850	34,850
On Deposit Accounts	430,961	400,000
	465,841	434,880
<b>SCHEDULE "C" : LOANS AND ADVANCES</b>		
Accrued Interest	18,480	21,135
	18,480	21,135
<b>SCHEDULE "D" : LIABILITIES</b>		
Payable to Holding Company	8,500	5,500
Audit Fees Payable	26,472	13,236
	34,972	18,736
<b>SCHEDULE "E" : PROVISIONS</b>		
Provision for Taxes [Net of advance tax ₹ 2,954 (Previous Year ₹ Nil)]	2,446	400
	2,446	400

## Schedules forming part of the Financial Statements

for the year ended 31st December, 2010

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

- 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.
- Significant Accounting Policies**  
The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the accounting standards notified under sub-section (3C) of Section 211 of Companies Act, 1956 (the 'Act') and the other relevant provisions of the Act. The significant accounting policies are as follows -
  - Basis of Accounting**  
The financial statements are prepared in accordance with the historical cost convention.
  - Revenue Recognition**  
Revenue is accounted on accrual basis.
  - Taxes on Income**  
Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to 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. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- Notes to the Accounts**
  - The tax year for the Company being the year ending 31st March, the provision for taxation for the year is the aggregate of the provision made for the three months ended 31st March, 2010 and the provision based on the figures for the remaining nine months up to 31st December, 2010, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2010 to 31st March, 2011.
  - Segmental Information**  
Since the Company has no operations there are no reportable segments.
  - 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, 2010. 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.
- Related Party Disclosures**
  - Enterprises where control exists
    - Holding Company  
Thomas Cook (India) Limited, India and its nominees holds 100% of equity shares of the company. TCIM Limited, UK holds 55.77% of Equity Shares of Thomas Cook (India) Limited. Thomas Cook UK Limited, the holding company of TCIM Limited, UK owns 21.41% of Equity Shares of Thomas Cook (India) Limited. Thomas Cook UK Limited is a step down subsidiary of Thomas Cook Group plc, the ultimate holding company.
  - Key Management Personnel  
Madhavan Menon  
Vinayak K. Purohit  
Rakshit Desai

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

	Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees
Reimbursement of Expenses	3,000	5,500
Thomas Cook (India) Limited		
Balances as at the year end -		
Outstanding Payables		
Thomas Cook (India) Limited	8,500	5,500
(e) Earning Per Share		
Basic Earnings per share has been calculated by dividing Net profit / (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	10,024	1,999
Weighted average number of shares - Basic & Diluted	50,000	50,000
Basic and Diluted Earnings per Share (₹ per Equity Share of ₹ 10 each)	0.20	0.04

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

In terms of our report of even date	For and on behalf of the Board
For LOVELOCK & LEWES	MADHAVAN MENON – Director
Firm Registration Number: 301056E	
Chartered Accountants	VINAYAK K. PUROHIT – Director
VASANT GUJARATHI	
Partner	RAKSHIT DESAI – Director
Membership No. 17866	
Mumbai, 17th February, 2011	Mumbai, 17th February, 2011

## Cash Flow Statement for the year ended 31st December, 2010

	Year ended 31st December, 2010 Rupees	Year ended 31st December, 2009 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) before taxation	15,024	2,399
Adjustment for -		
Interest Income	(31,260)	(21,135)
Operating profit/(loss) before working capital changes	(16,236)	(18,736)
Adjustments for -		
Trade and Other Receivables	–	–
Trade and Other Payables	16,236	18,736
Cash generated from operations	–	–
Direct taxes paid	(2,954)	–
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	33,915	–
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net increase in cash and cash equivalent	30,961	–
Cash and cash equivalents - Opening balance	434,880	434,880
Cash and cash equivalents - Closing balance	465,841	434,880

### 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, notified under sub-section (3C) of Section 211 of The Companies Act, 1956.
- Previous year figures have been regrouped where necessary.

In terms of our report of even date	For and on behalf of the Board
For LOVELOCK & LEWES	MADHAVAN MENON – Director
Firm Registration Number: 301056E	
Chartered Accountants	VINAYAK K. PUROHIT – Director
VASANT GUJARATHI	
Partner	RAKSHIT DESAI – Director
Membership No. 17866	
Mumbai, 17th February, 2011	Mumbai, 17th February, 2011

## 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 (Amount in ₹ Thousands)

Public Issue	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value="-"/> <input type="text" value="-"/>	Rights Issue	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value="-"/> <input type="text" value="-"/>
Bonus Issue	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value="-"/> <input type="text" value="-"/>	Private Placement	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value="-"/> <input type="text" value="-"/>

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

Total Liabilities	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/>	Total Assets	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/>
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Sources of Funds

Paid-up Capital	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/>	Reserves and Surplus	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value="-"/> <input type="text" value="-"/>
Secured Loans	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value="-"/> <input type="text" value="-"/>	Unsecured Loans	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value="-"/> <input type="text" value="-"/>

Application of Funds

Net Fixed Assets	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value="-"/> <input type="text" value="-"/>	Investments	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value="-"/> <input type="text" value="-"/>
Net Current Assets	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="7"/>	Miscellaneous Expenditure to the extent not written off	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value="-"/> <input type="text" value="-"/>
Accumulated Losses	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="5"/> <input type="text" value="3"/>		

IV. Performance of Company (Amount in ₹ Thousands)

Turnover	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="3"/> <input type="text" value="1"/>	Total Expenditure	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="6"/>
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+ – Profit/Loss before tax  + – Profit/Loss after tax

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

+ – Earning per Share in ₹  Dividend rate %

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

Item Code No. (ITC Code)	<input type="text" value="N"/> <input type="text" value="O"/> <input type="text" value="T"/> <input type="text" value="A"/> <input type="text" value="P"/> <input type="text" value="P"/> <input type="text" value="L"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="A"/> <input type="text" value="B"/> <input type="text" value="L"/> <input type="text" value="E"/>
Product Description	<input type="text" value="T"/> <input type="text" value="R"/> <input type="text" value="A"/> <input type="text" value="V"/> <input type="text" value="E"/> <input type="text" value="L"/> <input type="text" value="A"/> <input type="text" value="G"/> <input type="text" value="E"/> <input type="text" value="N"/> <input type="text" value="T"/> <input type="text" value="S"/>
Item Code No. (ITC Code)	<input type="text" value="N"/> <input type="text" value="O"/> <input type="text" value="T"/> <input type="text" value="A"/> <input type="text" value="P"/> <input type="text" value="P"/> <input type="text" value="L"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="A"/> <input type="text" value="B"/> <input type="text" value="L"/> <input type="text" value="E"/>
Product Description	<input type="text" value="T"/> <input type="text" value="O"/> <input type="text" value="U"/> <input type="text" value="R"/> <input type="text" value="O"/> <input type="text" value="P"/> <input type="text" value="E"/> <input type="text" value="R"/> <input type="text" value="A"/> <input type="text" value="T"/> <input type="text" value="O"/> <input type="text" value="R"/> <input type="text" value="S"/>
Item Code No. (ITC Code)	<input type="text" value="N"/> <input type="text" value="O"/> <input type="text" value="T"/> <input type="text" value="A"/> <input type="text" value="P"/> <input type="text" value="P"/> <input type="text" value="L"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="A"/> <input type="text" value="B"/> <input type="text" value="L"/> <input type="text" value="E"/>
Product Description	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/>

\*Note Turnover includes other income

For and on behalf of the Board  
MADHAVAN MENON – Director  
VINAYAK K. PUROHIT – Director  
RAKSHIT DESAI – Director  
Mumbai, 17th February, 2011

## 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 30 September, 2010.

### 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 statements of comprehensive income on page 7 of the financial statements.

The Directors do not recommend the payment of any dividend for the year under review (Period ended 30 September, 2009: Nil).

### DIRECTORS AND DIRECTORS' REMUNERATION

The present membership of the Board is set out on page 2.

No remuneration was paid to full-time executive directors for the year ended 30 September 2010 (Period ended 30 September, 2009: Nil).

### 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 made donations amounting to USD 1,585 for the year under review (Period ended 30 September, 2009: USD 4,943).

### AUDITORS

The auditors, Deloitte, have indicated their willingness to continue in office.

Auditors' remunerations were as follows:

	Group		Company	
	30.09.2010 USD	30.09.2009 USD	30.09.2010 USD	30.09.2009 USD
Audit services	18,968	18,848	4,000	4,000
Other services	7,941	3,504	1,000	-
USD	<u>26,909</u>	<u>22,352</u>	<u>5,000</u>	<u>4,000</u>

Approved by the Board of Directors on December 15, 2010  
and signed on its behalf by:

UDAY KUMAR GUJADHUR - Director  
IQBAL RAJAHBALEE - Director

## Secretary's Certificate

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 Mauritius Companies Act, 2001 for the financial year ended 30 September, 2010.

for Multiconsult Limited  
Corporate Secretary

15th December, 2010

## 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 on pages 7 to 33 which comprise the statements of financial position as at 30 September, 2010 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended 30 September, 2010 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 accordance 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 judgement, 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.

### Basis of qualified opinion

The financial statements for the current year include an adjustment of USD 1.59M in respect of foreign exchange transactions relating to year ended 30 September, 2009. As per IAS 8, Accounting policies, changes in accounting estimates and errors, prior period adjustments are corrected by restating the comparative amounts for the prior period presented. Accordingly, the above adjustment should have been excluded from the loss of the current period. The effect of this adjustment is to decrease the current year loss by USD 1.59M and reduce the profit for the year ended 30 September, 2009 by USD 1.59M.

### Qualified opinion on group financial statements

In our opinion, except for the effects of the matter described in the basis of qualified opinion paragraph, the financial statements on pages 7 to 33 give a true and fair view of the financial position of the group as at 30 September, 2010 and of its 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.

### Unqualified opinion - Company

In our opinion, the financial statements in pages 7 to 33 give a true and fair view of the financial position of the Company as at 30 September, 2010 and of its 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;
- except for the matter referred in the above paragraph, we have obtained all information and explanations that we have required;
- in our opinion, except for the matter referred in Note 27 of the financial statement, proper accounting records have been kept by the Company as far as appears from our examination of those records; and
- except for the non-compliance with IAS 8, the financial statements of the group and the Company comply with the Mauritius Companies Act, 2001.

DELOITTE  
Chartered Accountants  
15th December, 2010

## Statements of Comprehensive Income for the year ended 30 September, 2010

	Group		Company	
	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009
	USD	USD	USD	USD
Net gains arising from dealing in foreign currencies	1,532,639	2,755,183	-	-
Other operating income (Note 5)	563,354	382,300	-	-
Sundry income (Note 6)	59,625	11,743	-	9
Administrative expenses	(2,342,905)	(1,362,835)	(10,590)	(9,058)
Finance cost (Note 7)	(131,155)	(61,557)	-	-
(Loss)/profit before taxation	(318,442)	1,724,834	(10,590)	(9,049)
Taxation (Note 10)	(95,092)	(368,860)	-	-
(Loss)/profit for the year/period (Note 8)	(413,534)	1,355,974	(10,590)	(9,049)
Other comprehensive (loss)/income - exchange differences on currency translation	(55,474)	230,286	-	1,720
Total comprehensive (loss)/income for the year/period attributable to owners of the Company	(469,008)	1,586,260	(10,590)	(7,329)

## Statements of Financial Position as at 30 September, 2010

	Group		Company	
	30.09.2010 USD	30.09.2009 USD	30.09.2010 USD	30.09.2009 USD
<b>ASSETS</b>				
<b>Non-current assets</b>				
Equipment (Note 11)	686,837	641,090	-	-
Intangible assets (Note 12)	345,853	136,892	-	-
Investments in subsidiaries (Note 13)	-	-	1,179,792	1,179,792
<b>Total non-current assets</b>	1,032,690	777,982	1,179,792	1,179,792
<b>Current assets</b>				
Treasury Bills (Note 14)	786,371	735,454	-	-
Trade and other receivables (Note 15)	737,773	661,826	3,050	1,935
Loan receivable (Note 16)	-	-	500,000	500,000
Current tax assets (Note 10)	11,289	-	-	-
Cash at bank and in hand (Note 21)	4,730,450	4,854,356	2,341	2,371
<b>Total current assets</b>	6,265,883	6,251,636	505,391	504,306
<b>Total assets</b>	7,298,573	7,029,618	1,685,183	1,684,098
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Stated capital (Note 17)	1,655,500	1,655,500	1,655,500	1,655,500
Retained earnings/(accumulated losses)	3,211,120	3,624,654	(80,502)	(69,912)
Currency translation reserves	(98,051)	(42,577)	37,807	37,807
<b>Total equity attributable to owners of the Company</b>	4,768,569	5,237,577	1,612,805	1,623,395
<b>Non-current liabilities</b>				
Retirement benefit obligations (Note 18)	81,539	35,536	-	-
Obligations under finance leases (Note 19)	52,832	38,552	-	-
Deferred tax liabilities (Note 10)	68,559	31,700	-	-
<b>Total non-current liabilities</b>	202,930	105,788	-	-
<b>Current liabilities</b>				
Trade and other payables (Note 20)	1,740,450	868,122	72,378	60,703
Bank overdraft (Note 21)	555,656	-	-	-
Borrowings (Note 22)	-	467,134	-	-
Obligations under finance leases (Note 19)	30,968	29,041	-	-
Current tax liabilities (Note 10)	-	321,956	-	-
<b>Total current liabilities</b>	2,327,074	1,686,253	72,378	60,703
<b>Total equity and liabilities</b>	7,298,573	7,029,618	1,685,183	1,684,098

Approved by the Board of Directors and authorised for issue on December 15, 2010

UDAY KUMAR GUJADHUR     -     Director  
IQBAL RAJAHBALEE         -     Director

## Statements of Changes in Equity for the year ended 30 September, 2010

Group	Stated capital	Retained earnings	Currency translation reserves	Total
	USD	USD	USD	USD
At 01 January 2009	1,655,500	2,268,680	(272,863)	3,651,317
Profit for the period	-	1,355,974	-	1,355,974
Other comprehensive income for the period	-	-	230,286	230,286
Total comprehensive income for the period	-	1,355,974	230,286	1,586,260
At 30 September 2009	1,655,500	3,624,654	(42,577)	5,237,577
Loss for the year	-	(413,534)	-	(413,534)
Other comprehensive loss for the year	-	-	(55,474)	(55,474)
Total comprehensive loss for the year	-	(413,534)	(55,474)	(469,008)
At 30 September 2010	1,655,500	3,211,120	(98,051)	4,768,569
Company	Stated capital	Accumulated losses	Currency translation reserves	Total
	USD	USD	USD	USD
At 01 January 2009	1,655,500	(60,863)	36,087	1,630,724
Loss for the period	-	(9,049)	-	(9,049)
Other comprehensive income for the period	-	-	1,720	1,720
Total comprehensive (loss)/income for the period	-	(9,049)	1,720	(7,329)
At 30 September 2009	1,655,500	(69,912)	37,807	1,623,395
Total comprehensive loss for the year	-	(10,590)	-	(10,590)
At 30 September 2010	1,655,500	(80,502)	37,807	1,612,805



## Statements of Cash Flow for the year ended 30 September, 2010

	Group		Company	
	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009
	USD	USD	USD	USD
<b>Cash flows from operating activities (Loss)/profit before taxation</b>	<b>(413,534)</b>	<b>1,724,834</b>	<b>(10,590)</b>	<b>(9,049)</b>
<i>Adjustments for:</i>				
Depreciation of equipment	89,962	71,034	-	-
Amortisation of intangible assets	43,993	22,194	-	-
Profit on disposal of motor vehicles	(4,506)	-	-	-
Interest expense	131,155	61,557	-	-
Retirement benefit obligations	44,533	11,912	-	-
Interest income	(43,944)	(11,743)	-	(9)
Exchange differences	38,559	204,296	-	1,720
<b>Operating (loss)/profit before working capital changes</b>	<b>(113,782)</b>	<b>2,084,084</b>	<b>(10,590)</b>	<b>(7,338)</b>
Increase in trade and other receivables	(45,235)	(69,978)	(1,115)	(1,209)
Increase/(decrease) in trade and other payables	724,665	317,509	(9,373)	8,538
<b>Cash generated from/(used in) operations</b>	<b>565,648</b>	<b>2,331,615</b>	<b>(21,078)</b>	<b>(9)</b>
Tax paid	(380,239)	(263,405)	-	-
Interest paid	(131,155)	(61,557)	-	-
<b>Net cash generated from/(used in) operating activities</b>	<b>54,254</b>	<b>2,006,653</b>	<b>(21,078)</b>	<b>(9)</b>
<b>Cash flows from investing activities</b>				
Interest received	43,944	11,743	-	9
Payments to acquire Treasury Bills	(1,638,664)	(735,454)	-	-
Proceeds on sale of Treasury Bills	1,579,305	-	-	-
Payments for equipment	(100,084)	(169,007)	-	-
Proceeds on disposal of equipment	14,150	-	-	-
Payments for intangible assets	(245,922)	(159,426)	-	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(347,271)</b>	<b>(1,052,144)</b>	<b>-</b>	<b>9</b>
<b>Cash flows from financing activities</b>				
Movement in related party balances	116,951	113,749	21,048	-
Repayment of finance lease obligations	(36,362)	(20,559)	-	-
Repayment of short-term loan	(467,134)	(5,344)	-	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(386,545)</b>	<b>87,846</b>	<b>21,048</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(679,562)</b>	<b>1,042,355</b>	<b>(30)</b>	<b>-</b>
<b>Cash and cash equivalents at 01 October/01 January (Note 21)</b>	<b>4,854,356</b>	<b>3,812,001</b>	<b>2,371</b>	<b>2,371</b>
<b>Cash and cash equivalents at 30 September (Note 21)</b>	<b>4,174,794</b>	<b>4,854,356</b>	<b>2,341</b>	<b>2,371</b>

## Notes to the Financial Statements for the year ended 30 September, 2010

### 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 Multiconsult Limited, Rogers House, 5, President John Kennedy 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 principal activities of its subsidiaries are described in Note 13.

### 2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

In the current year, the Group and the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("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 01 October 2009.

#### 2.1 Standards and Interpretations affecting amounts reported in the current year

##### Standards and Interpretations affecting the reported results or financial position

The adoption of the Standards and Interpretations have not affected the reported results or financial position.

#### 2.2 Standards and Interpretations adopted with no effect on financial statements

The following relevant new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements.

IAS 27 Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRS 3

IAS 38 Intangible Assets – Amendments resulting from April 2009 Annual Improvements to IFRSs

IAS 39 Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items

IFRS 3 Business Combinations – Comprehensive revision on applying the acquisition method

#### 2.3 Standards and Interpretations in issue not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1 Presentation of Financial Statements - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 01 January 2010)

IAS 1 Presentation of Financial Statements - Amendments resulting from May 2010 Annual Improvements to IFRSs (effective 01 January 2011)

IAS 7 Statement of Cash Flows - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 01 January 2010)

IAS 17 Leases - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 01 January 2010)

IAS 24 Related Party Disclosures - Revised definition of related parties (effective 01 January 2011)

IAS 27 Consolidated and Separate Financial Statements - Amendments resulting from May 2010 Annual Improvements to IFRSs (effective 01 July 2010)

IAS 32 Financial Instruments: Presentation - Amendments relating to classification of rights issues (effective 01 February 2010)

IAS 36 Impairment of Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 01 January 2010)

IAS 39 Financial Instruments: Recognition and Measurement - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 01 January 2010)

IFRS 3 Business Combinations - Amendments resulting from May 2010 Annual Improvements to IFRSs (effective 01 July 2010)

IFRS 7 Financial Instruments Disclosures – Amendments resulting from May 2010 Annual Improvements to IFRSs (effective 01 January 2011)

IFRS 7 Financial Instruments - Disclosures - Amendments enhancing disclosures about transfers of financial assets (effective 01 July 2011)

IFRS 9 Financial Instruments - Classification and measurement (effective 01 January 2013)

IFRIC 14 IAS 19 - The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (November 2009 amendment with respect to voluntary prepaid contributions effective 01 January 2011)

The directors anticipate that the adoption of these Standards and Interpretations on the above effective dates in future periods will have no material impact on the financial statements of the Group and Company.

### 3. SIGNIFICANT 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.

## Notes to the Financial Statements for the year ended 30 September, 2010

**Basis of preparation**

The consolidated financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS").

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.

**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 statements of comprehensive income from the date of their acquisition or up to the date of their disposal. Inter-Group transactions are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling 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 Company 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 Company 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 Company 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 Company'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 profit or loss.

**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 statements of comprehensive income. Monetary assets and liabilities at the end of the reporting period, 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 the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated into the entity's functional currency at the rates of exchange prevailing at the end of the reporting period.

Exchange differences arising on the settlement and the retranslation of monetary items are recognised in the statements of comprehensive income.

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 reporting period date. Their results for the year are translated into US Dollar at average exchange rates for the year. The exchange differences arising from translation of the foreign operations are taken to the Group's translation reserve. Such translation differences are recognised in profit or loss in the year in which the foreign operation is disposed of.

**Equipment**

Equipment is 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 statements of comprehensive income during the financial year 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 the end of each reporting period.

Equipment is 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 profit or loss 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 statements of comprehensive income.

**Investments**

Investments in Treasury Bills are unquoted and are stated at book values.

**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 statements of comprehensive income 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 end of the reporting period.

**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 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 the end of each reporting period 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 year 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 end of the reporting period. 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.

**Stated Capital**

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as liability in the financial statements in the year in which the dividends are approved by the Company's shareholders.

**Retirement benefit obligations**Under the Employment Rights Act, 2008

The present value of retirement benefits under the Employment Rights Act 2008 is recognised in the statement of financial position 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 statements of comprehensive income 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



## Notes to the Financial Statements for the year ended 30 September, 2010

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 statement of financial position as a finance lease obligation.

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 statements of comprehensive incomes, 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 year 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 year 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 the end of each reporting period and adjusted to reflect the current best estimate.

**Impairment of assets**

At the end of each reporting period, 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 in the statement of financial position 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 the end of the reporting period. Bad debts are written off during the year 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 the end of the reporting period.

(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.

(v) **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.

**Software costs**

Expenditure incurred on the development of new computer software programmes is recognised as asset and is amortised at 25% p.a on a straight line basis over their estimated useful life.

Cost associated with maintaining computer software programmes are recognised as an expenses as incurred.

**5. OTHER OPERATING INCOME**

	Group		Company	
	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009
	USD	USD	USD	USD
Income on telegraphic transfers	19,553	11,383	-	-
Income on currency swaps and crossing	3,789	-	-	-
Income from Export of Foreign Currencies	2,669	1,604	-	-
Commission received on MoneyGram	31	121,587	-	-
Commission received on travellers cheques	285,307	-	-	-
Fair value gain on forward contracts	-	47,483	-	-
Brokerage fees paid	-	2,958	-	-
Handling and other fees	-	167,110	-	-
Transport revenue	-	4,673	-	-
Commission received on tours	252,005	25,502	-	-
	<b>563,354</b>	<b>382,300</b>	<b>-</b>	<b>-</b>

**6. SUNDRY INCOME**

	Group		Company	
	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009
	USD	USD	USD	USD
Bank and other interest income	8,789	11,743	-	9
Profit on disposal of equipment	4,506	-	-	-
Insurance claim received	7,019	-	-	-
Commission on currency deposits services	2,830	-	-	-
Interest received on Treasury Bills	35,155	-	-	-
Income received on lost baggage services	1,326	-	-	-
	<b>59,625</b>	<b>11,743</b>	<b>-</b>	<b>9</b>

**7. FINANCE COST**

	Group		Company	
	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009
	USD	USD	USD	USD
Interest on finance leases	49,328	31,920	-	-
Interest on bank overdraft	17,690	2,059	-	-
Interest on short term bank loans	12,137	27,578	-	-
Interest on Nostro accounts	52,000	-	-	-
	<b>131,155</b>	<b>61,557</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements for the year ended 30 September, 2010

## 8. (LOSS)/PROFIT FOR THE YEAR/PERIOD

	Group		Company	
	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009
	USD	USD	USD	USD
(Loss)/profit for the year/period is arrived at after charging:				
Impairment loss recognised on receivables	893	850	-	-
Depreciation on equipment	89,962	71,034	-	-
Profit on disposal of motor vehicles	4,506	-	-	-
Amortisation of intangible assets	43,993	22,194	-	-
Operating lease rentals	282,975	172,213	-	-
Staff costs (Note 9)	979,366	544,666	-	-

## 9. STAFF COSTS

	Group		Company	
	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009
	USD	USD	USD	USD
Salaries and allowances	799,593	521,111	-	-
Social security costs	38,163	23,555	-	-
Other employee benefits	141,610	-	-	-
	979,366	544,666	-	-

## 10. TAXATION

## Company

The Company is subject to income tax in Mauritius on its chargeable income at 15% (Period ended 30 September 2009: 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 USD79,434 (Period ended 30 September 2009: USD 65,919) available for future offset.

## Income tax

In respect of the subsidiaries, income tax is calculated at the rate of 15% (Period ended 30 September 2009: 15%) on the profit for the year/period as adjusted for income tax purposes.

	Group	
	30.09.2010 USD	30.09.2009 USD
Current tax	47,154	385,376
Tax paid under Advance Payment System (APS)	(58,443)	(63,420)
Current tax (assets)/liabilities	(11,289)	321,956

	Group	
	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009
	USD	USD
Tax (income)/expense		
Current tax	47,154	385,376
Tax refund obtained	26,922	-
Over provision in income tax in previous period/year	(160)	(14,758)
Exchange difference	(5,247)	(5,889)
Deferred tax movement	26,423	4,131
	95,092	368,860

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:

	Group	
	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009
	USD	USD
(Loss)/profit before tax	(318,442)	1,724,834
Tax at 15%	(47,766)	258,725
Tax effect of:		
- Exempt income	-	(7,122)
- Expenses non-deductible for tax purposes	131	29,580
- Deferred tax not recognised	516	100,600
- Tax refund obtained	26,922	-
- Over provision in income tax in previous period/year	(160)	(14,758)
- Tax loss not utilised	-	1,835
- Timing difference	115,449	-
	95,092	368,860

## Deferred tax

	Group	
	30.09.2010 USD	30.09.2009 USD
At 01 October/01 January	31,700	29,925
Movement during the year/period	26,423	4,131
Exchange difference	10,436	(2,356)
At 30 September	68,559	31,700

Deferred tax (assets)/liabilities arise from the following:

	Group	
	30.09.2010 USD	30.09.2009 USD
Accelerated capital allowances	80,790	37,030
Retirement benefit obligations	(12,231)	(5,330)
Deferred tax liabilities	68,559	31,700

## 11. EQUIPMENT

## Group

	Office equipment USD	Computer equipment USD	Furniture and fittings USD	Motor vehicles USD	Total USD
Cost					
At 01 January 2009	230,696	177,041	186,243	185,762	779,742
Additions	57,381	48,633	62,993	-	169,007
Exchange difference	13,683	10,499	11,046	11,017	46,245
At 30 September 2009	301,760	236,173	260,282	196,779	994,994
Additions	44,468	22,007	33,609	52,569	152,653
Disposals	-	-	-	(46,060)	(46,060)
Exchange difference	(2,557)	(2,575)	(2,421)	(2,681)	(10,234)
At 30 September 2010	343,671	255,605	291,470	200,607	1,091,353
Depreciation					
At 01 January 2009	33,557	117,080	43,984	71,867	266,488
Charge for the period	9,995	28,740	10,496	21,803	71,034
Exchange difference	1,989	7,324	2,472	4,597	16,382
At 30 September 2009	45,541	153,144	56,952	98,267	353,904
Charge for the year	15,052	29,507	16,859	28,544	89,962
Disposals	-	-	-	(36,416)	(36,416)
Exchange difference	(11)	(982)	(102)	(1,839)	(2,934)
At 30 September 2010	60,582	181,669	73,709	88,556	404,516
Net book value					
At 30 September 2010	283,089	73,936	217,761	112,051	686,837
At 30 September 2009	256,219	83,029	203,330	98,512	641,090

At 30 September 2010, motor vehicles acquired under finance leases had a net book value of USD 112,051 (2009: USD 98,512).

## Non-cash transactions

Payments made to purchase of equipment was as follows:

	Group		Company	
	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009	Year ended 30.09.2010	Period from 01.01.2009 to 30.09.2009
	USD	USD	USD	USD
Additions	152,653	169,007	-	-
New finance lease	(52,569)	-	-	-
	100,084	169,007	-	-

## 12. INTANGIBLE ASSETS

## Group

	Software Cost 30.09.2010 USD
Costs	
At 01 January 2009	-
Additions	159,426
At 30 September 2009	159,426
Additions	245,922
Exchange difference	8,674
At 30 September 2010	414,022
Amortisation	
At 01 January 2009	-
Charge for the period	22,194
Exchange difference	340
At 30 September 2009	22,534
Charge for the year	43,993
Exchange difference	1,642
At 30 September 2010	68,169
Net book value	
At 30 September 2010	345,853
At 30 September 2009	136,892

The directors have reviewed the carrying value of the computer software and are opinion that at 30 September 2010, the carrying value has not suffered any impairment.

**13. INVESTMENTS IN SUBSIDIARIES**

Company	30.09.2010 USD	30.09.2009 USD
Unquoted at costs	1,179,792	1,179,792

Details of the subsidiaries at 30 September are as follows:

	Country of incorporation	30.09.2010 % interest	30.09.2009 % interest	Activity
Thomas Cook (Mauritius) Operations Company Limited	Mauritius	100	100	Foreign exchange dealer
Thomas Cook (Mauritius) Travel Ltd.	Mauritius	100	100	General Sales Agent
Thomas Cook (Mauritius) Holidays Ltd.	Mauritius	100	100	Tour operator and travel agent

**14. TREASURY BILLS**

Group	30.09.2010 USD	30.09.2009 USD
Unquoted at cost		
At 01 October / 01 January	735,454	-
Additions	1,638,664	735,454
Disposals and withdrawals during the year/period	(1,579,305)	-
Exchange difference	(8,442)	-
At 30 September	786,371	735,454

Investment relates to purchase of Government of Mauritius Treasury Bills dated 01 June 2010, with face value of USD 779,874 bearing interest at 4.45% p.a. which will mature on 29 April 2011. The directors have valued the unquoted investment at book value.

**15. TRADE AND OTHER RECEIVABLES**

	Group		Company	
	30.09.2010 USD	30.09.2009 USD	30.09.2010 USD	30.09.2009 USD
Trade receivables	329,952	327,191	-	-
Provision for doubtful debts	(1,743)	(850)	-	-
	328,209	326,341	-	-
Amount due by related parties (Note 24)	90,787	60,075	-	-
Rentals and other deposits	59,784	97,127	-	-
Other receivables and prepayments	249,398	178,283	3,050	1,935
Foreign exchange forward contracts	9,595	-	-	-
	737,773	661,826	3,050	1,935

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, 19% is due from the largest customer. Customer balances, representing more than 5% of the total balance of trade receivables, amounted to USD 236,777 (2009: USD 197,251). Included in trade receivables balance are debtors with a carrying amount of USD 234,552 (2009: USD 151,461) 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 Group 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:

	30.09.2010 USD	30.09.2009 USD
45 - 90 days	90,894	33,967
90 - 120 days	51,576	64,912
More than 120 days	92,082	52,582
	234,552	151,461

Movement in the allowance for doubtful debts

	30.09.2010 USD	30.09.2009 USD
At 01 October / 01 January	850	6,491
Impairment loss recognised on receivables	893	850
Exchange difference	-	385
Amount written off	-	(6,876)
At 30 September	1,743	850

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, the directors believe that there is no further provision required for allowance for doubtful debts.

The provision for doubtful debts of USD 6,876 which was individually impaired trade receivables and has been placed under liquidation and past due for more than 120 days has been written off during the period ended 30 September 2009.

**16. LOAN RECEIVABLE**

	Group		Company	
	30.09.2010 USD	30.09.2009 USD	30.09.2010 USD	30.09.2009 USD
At 30 September	-	-	500,000	500,000

The loan of USD 500,000 to related party is unsecured, interest free and repayable on demand.

**17. STATED CAPITAL**

	Group and Company	
	30.09.2010 USD	30.09.2009 USD
1,655,500 Ordinary Shares of USD 1 each	1,655,500	1,655,500

The Company has one class of ordinary share which carries a right to vote but no right to fixed income.

**18. RETIREMENT BENEFIT OBLIGATIONS****Group**

(a) Under The Employment Rights Act 2008

Amount recognised in the statement of financial position:

	30.09.2010 USD	30.09.2009 USD
At 01 October/ 01 January	35,536	23,624
Movement during the year/ period	44,533	11,912
Exchange difference	1,470	-
At 30 September	81,539	35,536

Amount recognised in the statement of comprehensive income:

	30.09.2010 USD	30.09.2009 USD
Total included in staff costs (Note 9)	44,533	11,912

(b) State Pension Plan

	30.09.2010 USD	30.09.2009 USD
National Pension Scheme Contribution expensed	34,870	19,255

**19. OBLIGATION UNDER FINANCE LEASES**

Group	Minimum lease payments		Present value of minimum lease payments	
	30.09.2010 USD	30.09.2009 USD	30.09.2010 USD	30.09.2009 USD
Within one year	38,240	35,119	30,968	29,041
Between two and five years	60,538	42,957	52,832	38,552
	98,778	78,076	83,800	67,593
Less: future finance charges	(14,978)	(10,483)	-	-
Present value of minimum lease payments	83,800	67,593	83,800	67,593

	30.09.2010 USD	30.09.2009 USD
Included in the financial statements as:		
- Current liabilities	30,968	29,041
- Non-current liabilities	52,832	38,552
	83,800	67,593

**Leasing arrangement**

Finance leases relate to motor vehicles with lease terms of 5 years. The Group has options to purchase the vehicles for a nominal amount at the conclusion of the lease agreements. The Group'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.

**20. TRADE AND OTHER PAYABLES**

	Group		Company	
	30.09.2010 USD	30.09.2009 USD	30.09.2010 USD	30.09.2009 USD
Trade payables	1,301,371	575,044	-	-
Amount due to related parties (Note 24)	196,515	48,852	66,128	45,080
Accruals and other payables	242,564	244,226	6,250	15,623
	1,740,450	868,122	72,378	60,703

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 Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

**21. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statements of cash flows comprise the following statement of financial position amounts:

	Group		Company	
	30.09.2010 USD	30.09.2009 USD	30.09.2010 USD	30.09.2009 USD
Cash at bank and in hand	4,730,450	4,854,356	2,341	2,371
Bank overdraft	(555,656)	-	-	-
	4,174,794	4,854,356	2,341	2,371

**22. BORROWINGS**

	Group	
	30.09.2010 USD	30.09.2009 USD
Current		
Short-term loan	-	467,134

The short-term loan relates to a facility obtained under Money-Market Line from HSBC Ltd. The loan is unsecured, carries interest at 8.05% p.a. and has no fixed term of repayments.

**23. HOLDING COMPANY**

The ultimate parent company is Thomas Cook Group Plc (UK), a company incorporated in England and Wales. The immediate holding company is Thomas Cook (India) Limited, a company incorporated in India.

**24. RELATED PARTY TRANSACTIONS**

The Group is making the following disclosures in accordance with IAS 24 (Related Party Disclosures):

Group	30.09.2010 USD	30.09.2009 USD
<u>Amount due by related party:</u>		
<i>Thomas Cook (India) Limited</i>		
At 01 October/01 January	60,075	152,535
Payments received	24,616	-
Receipts	-	(92,460)
Exchange difference	6,096	-
At 30 September	90,787	60,075
<u>Amount due to related party:</u>		
<i>Thomas Cook (India) Limited</i>		
At 01 October/01 January	48,852	27,563
Expenses paid	178,359	-
Receipts	(11,076)	21,289
Exchange difference	(19,620)	-
At 30 September	196,515	48,852

The amount due by/to related party is unsecured, interest free and repayable on demand.

	Year ended 30.09.2010 USD	Period from 01.01.2009 to 30.09.2009 USD
<u>Purchase of foreign currencies</u>		
<i>Thomas Cook (India) Limited</i>	10,243,925	6,655,196
<u>Compensation paid to key management personnel</u>		
The remuneration of Directors and other members of key management during the year/period were as follows:		
Short term benefits	91,900	53,984

Company	30.09.2010 USD	30.09.2009 USD
<u>Amount due by related party:</u>		
<i>Thomas Cook (Mauritius) Operations Company Limited</i>		
At 30 September	500,000	500,000
The amount due by/to related party is unsecured, interest free and repayable on demand.		
<u>Amount due to related party:</u>		
<i>Thomas Cook (Mauritius) Operations Company Limited</i>		
At 01 October/01 January	45,080	45,080
Expenses paid	21,048	-
At 30 September	66,128	45,080

**25. COMMITMENTS**Operating lease commitmentsThe Group as LesseeLeasing arrangements

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 10 years with an option to extend for a further period. All operating lease contracts contain market review clauses. The Group does not have an option to purchase the leased asset at the expiry of the lease period. The rentals are subject to an annual increase, generally not exceeding 5%.

Payments recognised as an expense

	Year ended 30.09.2010 USD	Period from 01.01.2009 to 30.09.2009 USD
<u>Minimum lease payments</u>	282,975	172,213
	30.09.2010 USD	30.09.2009 USD
<u>Non-cancellable operating lease commitments</u>		
Not later than 1 year	226,899	251,668
Later than 1 year and not later than 5 years	442,859	417,684
More than 5 years	45,843	46,628
	715,601	715,980

**26. 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 2009.

The capital structure of the Group and the Company consists of debt, which includes the borrowings disclosed in Note 22 offset by cash and cash equivalents and equity comprising stated 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 liabilities 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.

**26. FINANCIAL INSTRUMENTS (CONTINUED)**Categories of financial instruments

	Group		Company	
	30.09.2010 USD	30.09.2009 USD	30.09.2010 USD	30.09.2009 USD
<b>Financial assets</b>				
Treasury Bills	786,371	735,454	-	-
Trade and other receivables	555,274	627,405	-	-
Loan receivable	-	-	500,000	500,000
Cash in hand and at bank	4,730,450	4,854,356	2,341	2,371
	6,072,095	6,217,215	502,341	502,371
<b>Financial liabilities</b>				
Trade and other payables	1,740,450	868,122	72,378	60,703
Borrowings	-	467,134	-	-
Bank overdraft	555,656	-	-	-
Obligation under finance leases	83,800	67,593	-	-
	2,379,906	1,402,849	72,378	60,703

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	
	30.09.2010 USD	30.09.2009 USD	30.09.2010 USD	30.09.2009 USD
<u>Currency</u>				
Mauritius rupee	5,732,730	4,373,948	473,507	1,138,022
United States dollar	52,632	802,200	433,768	21,758
Pound sterling	88,697	49,550	1	-
Euro	195,025	866,356	76,278	-
Others	3,011	125,161	1,396,352	243,069
	6,072,095	6,217,215	2,379,906	1,402,849

Company	Financial assets		Financial liabilities	
	30.09.2010 USD	30.09.2009 USD	30.09.2010 USD	30.09.2009 USD
<u>Currency</u>				
United States dollar	502,341	502,371	72,378	60,703

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 year 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:

	30.09.2010 USD	30.09.2009 USD
<u>Euro:</u>		
Loss	(11,875)	(86,636)
<u>Pound Sterling:</u>		
Loss	(8,870)	(4,955)
<u>United States Dollar:</u>		
Profit/(loss)	38,114	(78,044)

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/period end exposure does not reflect the exposure during the year/period.

## 26. FINANCIAL INSTRUMENTS (CONTINUED)

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 30 September:

	Average exchange rate 2010 MUR	Foreign currency 2010 MUR	Contract value 2010 MUR	Fair value 2010 MUR
Buy Euro				
Less than 1 month	41.21	732,000	29,938,720	30,165,720

No forward foreign currency contract was outstanding as at 30 September 2009.

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 statement of financial position 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 no significant credit risk.

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 for the year/ period:

<i>Financial assets</i>	Balance with bank - floating interest rate
Mauritian rupee	2010 2009
	6% p.a. - 8.05% p.a. 6% p.a. - 8.05% p.a.
<i>Financial liabilities</i>	Financial leases - floating interest rate
Mauritian rupees	2010 2009
	PLR + 1.25% p.a. PLR + 1.25% p.a.
	Bank loans - floating interest rate
	2010 2009
Mauritian rupees	- 8.05% p.a.

Interest rate sensitivity analyses below have been determined based on the exposure to interest rates for the non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period 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. Loss for the year ended 30 September 2010 would increase/decrease by USD 20,449 (Period ended 30 September 2009: decrease/increase by USD 20,678). 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 liabilities is summarized as follows:

Group	Less than 1 month USD	1-3 months USD	3 months to 1 year USD	1-5 years USD	Total USD
2010					
Trade and other payables	766,922	542,978	430,550	-	1,740,450
Bank overdraft	555,656	-	-	-	555,656
Obligation under finance leases	2,749	7,999	20,220	52,832	83,800
	1,325,327	550,977	450,770	52,832	2,379,906
2009	Less than 1 month USD	1-3 months USD	3 months to 1 year USD	1-5 years USD	Total USD
Trade and other payables	417,863	342,829	107,430	-	868,122
Borrowings	467,134	-	-	-	467,134
Obligation under finance leases	2,723	7,122	19,196	38,552	67,593
	887,720	349,951	126,626	38,552	1,402,849

Company	Less than 1 month USD	3 months to 1 year USD	Total USD
2010			
Trade and other payables	-	72,378	72,378
2009			
Trade and other payables	-	60,703	60,703

## 27. ACCOUNTING SYSTEM MIGRATION

One of the subsidiary, Thomas Cook (Mauritius) Operations Company Limited has migrated to a new system, Maraekat, for its front office and back office. Previously, the front office was a stand-alone system where the integration with the back office was being done on a manual basis.

Management has implemented the controls systems in the Maraekat software to beef up reporting and ensure timely reconciliations. Following the implementation of Maraekat system, the subsidiary encountered difficulties in the transition process which led to accounting and reconciliation issues. Lovi Melhotra and Associates (LMA) was appointed to help the subsidiary in the accounting and reconciliation processes. They have identified specific reconciling items totalling USD 1.59M (Rs. 50.6M) which has been reversed in the statement of comprehensive income for the year ended 30 September 2010 and included in net gains arising from dealing in foreign currencies. This adjustment has been independently investigated by a third party who has confirmed that no loss to the Company arose from these transactions.

## 28. COMPARATIVES

The current year figures are for 12-month period from 01 October 2009 to 30 September 2010 while the comparative figures are for a 9-month period from 01 January 2009 to 30 September 2009. Therefore, the comparative figures for the statement of comprehensive income, statement of changes in equity, statement of cash flows and the related notes are not comparable.

# 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 account		Net aggregate amount of the subsidiary company's profit/(loss) dealt with in the Company's account	
				For the Subsidiary Company's financial period ended 30th September, 2010/ 31st December, 2010	For the Subsidiary Company's previous financial years	For the Subsidiary Company's financial period ended 30th September, 2010/ 31st December, 2010	For the Subsidiary Company's previous financial years
Travel Corporation (India) Limited	31.12.2010	1,576,698	100%	INR 72,633,864	INR (37,295,527)	—	—
Thomas Cook Tours Limited	31.12.2010	50,000	100%	INR 10,024	INR 1,999	—	—
Thomas Cook Insurance Service (India) Limited	31.12.2010	50,000	100%	INR 4,267,194	INR (401,816)	—	—
Indian Horizon Travel and Tours Limited	31.12.2010	50,000	100%	INR 10,024	INR 1,999	—	—
Thomas Cook (Mauritius) Holding Company Limited	30.09.2010	1,655,500	100%	USD (10,590) # INR (487,794)	USD (9,049) # INR (1,051,426)	—	—
Thomas Cook (Mauritius) Operations Company Limited*	30.09.2010	1,000,000	100%	MUR (15,093,913) # INR (23,665,646)	MUR 41,088,094 # INR 65,182,694	—	—
Thomas Cook (Mauritius) Travel Limited*	30.09.2010	13,100	100%	MUR (126,398) # INR (185,512)	MUR (97,008) # INR (229,529)	—	—
Thomas Cook (Mauritius) Holidays Limited*	30.09.2010	13,100	100%	MUR 2,484,515 # INR 3,646,446	MUR 1,395,320 # INR 2,259,791	—	—

\* All the shares are held by Thomas Cook (Mauritius) Holding Co. Limited

# Equivalent INR for corresponding foreign currency

For and on behalf of the Board

MADHAVAN MENON	—	Managing Director
VINAYAK K. PUROHIT	—	Executive Director – Finance
RAKSHIT DESAI	—	Executive Director – Travel Services
R. R. KENKARE	—	President & Head – Legal & Company Secretary

Mumbai, 17th February, 2011

# Consolidated

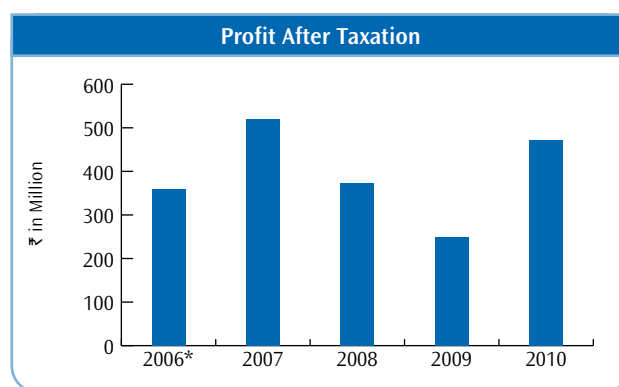
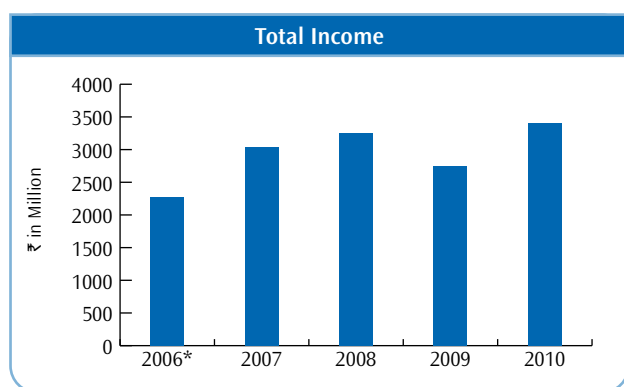
## Five Financial Years' Performance

(₹ in Million)

	2010	2009	2008	2007	2006 (14 Months)
Total Income	3,399.0	2,746.3	3,259.0	3,042.3	2,273.8
Total Expenditure	2,762.7	2,341.4	2,627.9	2,386.3	1,688.9
Profit Before Taxation and Exceptional	636.3	404.9	631.1	656.0	584.9
Profit After Taxation	471.6	250.1	373.3	519.1	359.5
Dividend Paid/Payable	79.4	79.3	79.3	80.4	80.4
Dividend Tax	13.2	13.6	15.8	21.0	13.7
Dividend (%)	37.5	37.5	37.5	50.0	50.0
Earning per Share - Basic (₹ Per Equity Share of ₹ 1 each)	2.23	1.19	2.42	2.91	2.47
Equity Share Capital	211.8	211.5	160.8	160.8	160.8 @
Preference Capital	5.9	5.9	1,055.9	1,038.7	1,038.7 @
Reserves and Surplus	3,189.7	2,802.5	1,023.2	755.0	379.4
Shareholders' Funds	3,407.4	3,019.9	2,239.9	1,954.5	1,578.9
Loan Funds	2,015.7	1,700.4	2,604.5	2,857.2	2,524.4
Total Source of Funds	5,423.1	4,720.3	4,844.4	4,811.7	4,103.3
Fixed Assets	2,474.6	2,191.6	2,156.5	2,172.7	2,139.3
Investments	155.8	356.1	2.2	7.0	125.3
Net Current Assets#	2,792.7	2,172.6	2,685.7	2,631.8	1,850.0
Miscellaneous Expenditure	—	—	—	0.1	0.1
Minority Interest	—	—	—	—	(11.5)
Total Application of Funds	5,423.1	4,720.3	4,844.4	4,811.7	4,103.3

# Net of Deferred Tax Liability.

@' Includes Share Capital Suspense amount of ₹ 14.9 million in Equity Capital and ₹ 1038.7 million in Preference Capital in 2006.



\*Annualised

**Note:**

- The above Graphs are based on Consolidated Financial Statements.



## THOMAS COOK (INDIA) LIMITED – OFFICES

**MUMBAI****Head Office**

Thomas Cook (India) Limited  
Thomas Cook Bldg.  
324, Dr. D.N. Road  
Fort, Mumbai - 400 001  
Tel: 022 - 61603333  
Fax: 22871069, 66091454

**Bandra**

Thomas Cook (India) Limited  
269 B, Jubilee Court,  
Shop No. 2,  
Linking Road,  
Bandra - 400 050.  
Tel: 66093237/8/9 - F.E., 66093234, 66093235 - L.T.  
Fax: 26400921

**Borivali**

Thomas Cook (India) Limited  
Shop No. 2, Battad Towers,  
Next To Café Coffee Day,  
Kora Kendra, Borivali (West)  
Tel: 65992732 upto 36  
Fax: 28338643  
Mumbai - 400 092

**Chembur**

Thomas Cook (India) Limited  
Corporate Park, Unit No. 8,  
Sion-Trombay Road,  
Chembur, Mumbai - 400 071  
Tel: 66093144

**Colaba**

Thomas Cook (India) Ltd.  
Shop No 22-B, Cusrow Baug,  
Gr. Floor Colaba Causeway,  
Colaba, Mumbai - 400 001  
Tel: 66092605 upto 2610  
Fax: 66092606

**Goregaon-Oberoi Mall**

Thomas Cook (India) Limited  
Oberoi Mall Pvt. Ltd.,  
14B, Oberoi Garden City, Gr. Floor  
Off-Western Express Highway  
Goregaon (E), Mumbai - 400 063  
Tel: 40060942, 65991450

**Lower Parel – Kiosk**

Thomas Cook (India) Limited  
Grand Galleria Area,  
The Phoenix Mills Ltd.,  
462, Senapati Bapat Marg,  
Lower Parel,  
Mumbai - 400 013  
Tel: 64552035

**Malad- (Inorbit Mall)**

Thomas Cook (India) Limited  
Inorbit Mall, Mindspace,  
New Link Road, Malad,  
Mumbai - 400 069  
Tel: 65991440

**Nariman Point**

Thomas Cook (India) Limited  
Chandra Mukhi,  
First Floor,  
Nariman Point,  
Mumbai - 400 021  
Tel: 66090000  
Fax: 66092003

**Oshiwara**

Thomas Cook (India) Limited  
Shop No. 26, Meera Society,  
Opp. Mega Mall,  
Oshiwara, Andheri (W)  
Mumbai - 400 053  
Tel: 64557603/ 607/ 610/ 614/ 619/ 624

**Prabhadevi**

Thomas Cook (India) Limited  
Shop No. 6, Kohinoor Corner,  
1218, Veer Savarkar Marg,  
Opp. Siddhivinayak Temple,  
Prabhadevi,  
Mumbai - 400 025  
Tel: 67520770

**Powai**

Thomas Cook (India) Limited  
AG-2, "Delphi"  
Orchard Avenue Hiranandani,  
Business Park Hiranandani,  
Powai, Mumbai - 400 076  
Tel: 66093422

**Sahar**

Thomas Cook (India) Limited  
A /2, Silver Arch,  
S. B. Marg, J. B. Nagar  
Andheri (East),  
Mumbai - 400 059  
Tel: 66093350, 66093357 / 3358  
Fax: 66093370

**Sahar International Airport**

Thomas Cook (India) Limited  
Sahar International Airport  
Sahar, Mumbai 400 099  
Tel: 66859620 / 21

**Sahar International Airport**

Thomas Cook (India) Limited  
Chhatrapati Shivaji Intl. Airport,  
Terminal IIC,  
Ground & First Floor,  
Sahar, Andheri (E),  
Mumbai - 400 099

**Seepz**

Thomas Cook (India) Limited  
Near SDF – L, Seepz, Sez  
Andheri (East),  
Mumbai - 400 096  
Tel: 66093400 upto 66093413  
Fax: 28293347 / 66093414

**Thane**

Thomas Cook (India) Limited  
Abhimaan II,  
Shop No. 5, 6, & 7  
Ground Floor, L. B. S. Road,  
Near Teen Hath Naka,  
Thane (W) - 400 602  
Tel: 67935400 upto 9  
Fax: 67935415

**Vashi**

Thomas Cook (India) Limited  
Inorbit Mall, Plot No. 39/1, Sector 30 A,  
Vashi Navi, Mumbai - 400 705  
Tel: 65970581  
Fax: 67934383

Thomas Cook (India) Limited  
Shop No. 4,  
Grain Merchant Co-op. Housing Society Ltd.,  
No. 26/35, Sector 17,  
Vashi, Navi Mumbai - 400 705  
Tel: 66097033 - F.E., 66092033 - L.T.  
Fax: 66097028

**AGRA**

Thomas Cook (India) Limited  
18/165, Crystal Tower,  
Shop No. G-1, Fatehabad Road,  
Agra - 282 001  
Tel: 0562-6458199, 2330660 / 550

**Taj Mahal**

Thomas Cook (India) Limited  
Shilpgram,  
Near Eastern Gate of Taj Mahal,  
Agra - 282 001  
Tel: 6458192 / 6458193

**AHMEDABAD**

Thomas Cook (India) Limited  
"Supermall", 30-33,  
Ground Floor,  
Near Lal Bungalow,  
C. G. Road, Ahmedabad - 380 009  
Tel: 079-66635555 / 9999  
Fax: 26401286

**Mardia Plaza**

Thomas Cook (India) Limited  
Shop No. 18 & 19, Upper Level,  
Mardia Plaza, C.G. Road,  
Ahmedabad - 380 006  
Tel: 079- 66631111, 66634444  
Fax: 26444721 / 26421986

**Mani Nagar**

Thomas Cook (India) Limited  
Shope G-2, Sukh Chain Complex,  
Dalbradha Vallabh Colony,  
Jawahar Chowk,  
Mani Nagar  
Ahmedabad - 380 008  
Tel: 079-64501051 / 2

Website : [www.thomascook.in](http://www.thomascook.in) • E-Mail : [holidays@thomascook.in](mailto:holidays@thomascook.in)

Call Centre – 67686970 (8 a.m. to 8 p.m. 365 days a year) Toll-free (Within India) 1800-2099-100, 1800-209-2665  
(US & CANADA CALLERS) 1866 9778687 (United Kingdom) + 8081016989 SMS (Within India) 56767100

• "Holidays" • "Visas" • "Passport" •



**AMRITSAR**

Thomas Cook (India) Limited  
Shop No. 7-A, First Floor,  
Urban Circle No.110, 6, Lawrence Road,  
Near State Bank of Bikaner & Jaipur,  
Amritsar -143 001  
Tel: 0183-6549751/ 53 / 54 /55

**ANAND**

Thomas Cook (India) Limited  
106, First Floor, Maruti Sankalp,  
Anand Vidya Nagar Road,  
Anand - 388 001  
Tel: 02692 - 656410 upto 414

**AURANGABAD**

Thomas Cook (India) Limited  
Shop No. 3 & 4, Chetan Trade Centre,  
Opp. St. Francis School, Jalna Road,  
Aurangabad - 431 001  
Tel: 0240-6602795 upto 6602799  
Fax: 6611239

**BENGALURU**

Thomas Cook (India) Limited  
70, M. G. Road, Vimal Chambers Building,  
2nd Floor, Bengaluru - 560 001  
Tel: 080-67178800/ 1/ 2  
Fax : 67178861

**M.G. Road**

Thomas Cook (India) Limited  
70, M.G. Road,  
Vimal Chambers Building, 3rd Floor,  
Bengaluru - 560 001  
Tel: 080-67178800/ 01/ 02

**ITPL**

Thomas Cook (India) Limited  
G/12, International Tech Park,  
Whitefield Road,  
Bengaluru - 560 066  
Tel: 080-28410565/ 0567  
Fax: 28410566

**Koramangala**

Thomas Cook (India) Limited  
Unit No. G-6, Municipal No. 121/3,  
Gr. Floor, Salarpuria Money Centre,  
121, Koramangala Ind, Layout,  
Bengaluru - 560 095  
Tel: 080-41206985  
Fax: 41216820

**Bengaluru - International Airport**

Thomas Cook (India) Limited  
Bengaluru International Airport Limited  
Devanahalli Road, Devanahalli,  
Bengaluru - 560 300

**Electronicity**

Thomas Cook (India) Limited  
Shop No. 6 & 7, Konappa  
Agrahara 1st Phase,  
Electronicity,  
Bengaluru - 561 229  
Tel: 6456308/ 09/ 10

**BARDOLI**

Thomas Cook (India) Limited  
Shop No. 122, Millennium Mall,  
Station Road, Bardoli - 394 601  
Tel: 02622-653518 upto 22

**BARODA**

Thomas Cook (India) Limited  
Shop 1-3, Gr. Floor,  
"Landmark",  
Race Course,  
Baroda - 390 007  
Tel: 0265-6634705/ 6634706/ 2320801  
Fax: 2350471

**Alkapuri**

Thomas Cook (India) Limited  
Gr. Floor 23, Dwarkesh Complex,  
Opp. Panorama Complex,  
R. C. Dutt Road,  
Alkapuri, Baroda - 390 005  
Tel: 0265-6540530/ 6540002  
Fax: 2327099

**BHARUCH**

Thomas Cook (India) Limited  
Shop No. 8/9/10 Vadilo Nu Ghar  
Opp Aditya Complex, Kasak,  
Bharuch - 392 001  
Tel: 02642-659092 upto 95

**BHOPAL**

Thomas Cook (India) Limited  
Shop No.1, Gr. Floor,  
Alankar Building, Zone No. 2,  
M.P. Road, Bhopal - 462 011  
Tel: 0755-6463503 upto 7

**BHUBANESWAR**

Thomas Cook (India) Limited  
130, Ashok Nagar, Janpath,  
Bhubaneswar, Orissa - 751 009  
Tel: 0674-2539892/ 3/ 4  
Telefax : 2539894

**BHUJ**

Thomas Cook (India) Limited  
Luv Kush Apartment,  
Hospital Road,  
Bhuj - 370 001  
Tel: 02832-650908/ 650911  
Fax: 256470

**CALICUT**

Thomas Cook (India) Limited  
Sky Tower Shopping Mall,  
5/ 3283, A 11-15,  
Bank Road Junction,  
Calicut - 673 001  
Tel:0495-6451081/ 86/ 57/ 58/ 1181  
Fax: 2762683

**CHANDIGARH**

Thomas Cook (India) Limited  
SCO 28/ 29/ 30  
Sector 9D, Madya Marg,  
Chandigarh - 160 017  
Tel: 0172-6610904/ 6610901  
Fax: 2745628

**Sector 9D**

Thomas Cook (India) Limited  
SCO 28/ 29/ 30  
1st Floor, Sector 9D,  
Madhya Marg,  
Chandigarh - 160 017  
Tel: 0172-6610919/ 2746783  
Fax: 2745628

**CHENNAI****Adyar**

Thomas Cook (India) Limited  
# 12, Lattice Bridge Road,  
K. R. Building,  
Ground Floor,  
Adyar, Chennai - 600 020  
Tel: 044-64549739/ 64549738/ 64549742 F.E.  
Off. Telefax: 24400925

**Chennai – Airport**

Thomas Cook (India) Limited  
Departure Terminal,  
Anna International Airport,  
Chennai - 600 027  
Tel: 044-64549979/ 64549981/ 64549982  
Fax : 22561856

**Ceebros Centre**

Thomas Cook (India) Limited  
Ceebros Centre,  
45 Montieth Road,  
Chennai - 600 008  
Tel: 044-66774600 upto 608  
Fax: 28586718

**Rajaji Road**

Thomas Cook (India) Limited  
# 20 Rajaji Road,  
George Town,  
Chennai - 600 001  
Tel: 044-64549736/ 7/ 64549486/ 7  
Off. Telefax : 25330105

**Nungambakkam High Road**

Thomas Cook (India) Limited  
G4, Eldorado Building, No. 112,  
Nungambakkam High Road,  
Chennai - 600 034  
Tel: 044-64549212/13/ 16/ 18/ 222  
Off.Telefax : 28223503

**Spencer Plaza**

Thomas Cook India Limited  
G-17, A & B, Phase I, Spencer Plaza,  
Chennai - 600 002  
Tel: 044-28492421/ 7  
Fax: 28492420

**Anna Nagar**

Thomas Cook (India) Limited  
Shop No. 3, TNHB Plaza,  
C-47, II Avenue,  
Anna Nagar, Chennai,  
Tamilnadu - 600 040  
Tel: 044-64548176/ 77/ 78  
Fax: 26203337

**COCHIN**

Thomas Cook (India) Limited  
Palal Towers, 1st Floor,  
Right Wing, M. G. Road,  
Tel: 0484-6607702/ 6607712

**Cochin International Airport**

Thomas Cook (India) Limited  
Cochin International Airport Ltd.  
Vaplassery,  
Angamally,  
Ernakulam - 680 535  
Tel: 0484-6453860/ 6453856/ 70 / 71  
Telefax : 2610032/ 52/ 54

**COIMBATORE**

Thomas Cook (India) Limited  
14 & 15, City Center,  
1st Floor, Opp. Sree Annapurna  
East Arokiyasamy Road,  
R. S. Puram, Coimbatore - 641 002  
Tel: 0422-6450753/ 6451916  
Fax: 2542220

**DELHI**

Thomas Cook (India) Limited  
C-35 Connaught Place,  
Inner Circle, New Delhi - 110 001  
Tel: 011-66271900/01/ 02 & 66271923/ 928  
Fax : 23416580

**Central Cottage**

Thomas Cook (India) Limited  
Central Cottage Industries Corpn. of India Ltd.  
Jawahar Vyapar Bhavan  
New Delhi - 110 001  
Tel: 011- 65413281/ 41522008

**Hotel Janpath**

Thomas Cook (India) Limited  
Hotel Janpath  
Room No. 4, Janpath, New Delhi - 110 001  
Tel: 011-64641062/ 63  
Fax: 23368785

**Delhi - Airport**

Thomas Cook (India) Limited  
Indira Gandhi International Airport  
New Delhi - 110 037  
Tel: 011-64640405 upto 14

**Nehru Place**

Thomas Cook (India) Limited  
717/718, International Trade Tower  
Nehru Place, New Delhi - 110 019  
Tel: 011-65458372 upto 79  
Fax: 26471903

**Panchkuin Road**

Thomas Cook (India) Limited  
Rishya Mook Bldg.,  
85-A, Panchkuin Road,  
New Delhi - 110 001  
Tel: 011-23747404/ 13

**Parliament St.**

Thomas Cook (India) Limited  
PTI Building, 5th Floor,  
4, Parliament Street,  
New Delhi - 110 001  
Tel: 011-66506555/ 23353825

**Punjabi Bagh**

Thomas Cook (India) Limited  
Punjabi Bagh Branch,  
Basement 24, Central Market,  
Punjabi Bagh West,  
New Delhi - 110 026  
Tel: 011-45418000  
Fax: 45466011

**Vasant Vihar**

Thomas Cook (India) Limited  
61, PVR Priya Cinema,  
Basant Lok, Vasant Vihar, 2nd Floor,  
New Delhi - 110 001  
Tel: 011-41669168/ 9  
Fax: 41669168

**DEHRADUN**

Thomas Cook (India) Limited  
67/ 3, Rajpur Road,  
1st Floor, Dehradun - 248 001  
Tel: 0135-6454391/ 395  
Telefax: 2741824

**GOA**

Thomas Cook (India) Limited  
8, Alcon Chambers,  
Dayanand Bandodkar Marg,  
Panaji, Goa - 403 001  
Tel: 0832- 6639256 upto 6639262

**Alcon Chambers**

Thomas Cook (India) Limited  
Alcon Chambers, 2nd Floor,  
Dayanand Bandodkar Marg,  
Panaji, Goa - 403 001  
Tel: 0832-6639293/ 6639282

**Calangute**

Thomas Cook (India) Limited  
C/o. Brisa Leisure Resort,  
Shop No. 47/48/49, Naika Vaddo,  
Calangute, Bardez,  
Goa - 403 516  
Tel: 0832-2282455  
Fax: 2282330

**Calangute (North)**

Thomas Cook (India) Limited  
C/o. State Bank of India,  
Hotel Orfil,  
Ground Floor, Calangute Market,  
Calangute, Bardez, Goa - 403 516  
Tel: 0832-6456009

**Margao (South)**

Thomas Cook (India) Limited  
Mabai Hotel, 1st Floor,  
Opp. Municipal Garden,  
Mabai Hotel Building,  
Margao, Goa - 403 601  
Tel: 0832-6481958/ 6486010/ 6486012

**Palolem**

Thomas Cook (India) Limited  
Palolem Beach Resort,  
Palolem, Goa  
Tel: 0832-647 4001

**Candolim Bardez**

Tel: 0832- 651 9759  
Thomas Cook (India) Limited  
H. No. 483, Next to Lemon Tree Resort,  
Aguada Road, Candolim Bardez  
Goa - 403 515

**GURGAON**

Thomas Cook (India) Limited  
First India Place, Unit No. 6,  
Sushant Lok Phase I,  
Mehrauli Gurgaon Road,  
Gurgaon - 122 002, Haryana  
Tel: 0124-2389586/ 4067145  
Telefax: 2389582

**Udyog Vihar**

Thomas Cook (India) Limited  
Plot No. 520, Udyog Vihar Phase -3  
Gurgaon - 122 001  
Tel: 0124- 6120100

**Apparel House**

Thomas Cook (India) Limited  
Apparel House,  
Institutional Area,  
Sector 44,  
Gurgaon, Haryana - 122 001  
Tel: 0124-6512188  
Fax: 2570765

**GUWAHATI**

Thomas Cook (India) Limited  
Divine Plaza,  
G. S. Road (Near Secretariat) Dispur,  
Guwahati - 781 005, Assam  
Tel: 0361- 9207045482 / 83, 9207045480

**HUBLI**

Thomas Cook (India) Limited  
1st Floor, Umachigi  
Shopping Complex, Ceon,  
Road, Hubli - 580 020  
Tel: 0836-6444001/ 2/ 3

**HYDERABAD**

Thomas Cook (India) Limited  
6-1-57, Nasir Arcade,  
Saifabad,  
Hyderabad - 500 004  
Tel: 040-6674-2733/ 6644-3444

**TCS – Madhapur**

Thomas Cook (India) Limited  
Deccan Park, Unit No. 3, Plot No. 1,  
Survey No. 64/2,  
Software Unit Layout,  
Serlingampally Mandal,  
Madhapur - 500 034  
Tel: 040-66672000/ 66672068  
Fax: 66672222

**Gachibowli**

Thomas Cook (India) Limited  
Plot No. 9, Survey 115,  
Nanakramguda Village,  
Serilingampally Mandal,  
Gachibowli - 500 019  
Tel: 040-30233000  
Fax: 40343777

**Centre For Cellular & Molecular Biology**

Thomas Cook (India) Limited  
Uppal Road,  
Hyderabad - 500 007  
Tel: 040-27192501  
Fax: 27160310

**Hi-Tech City**

Thomas Cook (India) Limited  
"A" Core, Podium Level,  
Cyber Towers,  
Hi-Tech City,  
Madhapur, Hyderabad - 500 033  
Tel: 040-66442720/ 23/ 25  
Fax: 66661107

**Secunderabad**

Thomas Cook (India) Limited  
160-D, Patny Nagar, Sardar Patel Road,  
(Opposite Ashok Bhoopal Chambers)  
Secunderabad - 500 003  
Tel: 040- 66386600/ 01/ 02/ 03/ 05  
Fax: 66386604

**INDORE**

Thomas Cook (India) Limited  
Shop No. UG 1 & UG 9,  
4, Yeshwant Niwas Road, Indore - 452 001  
Tel: 0731-6454533/ 753/ 775/ 833/ 837  
Fax: 2535544

**JAIPUR**

Thomas Cook (India) Limited  
2 (A & B) Ground Floor,  
Opposite A.I.R., Jaipur Towers,  
M.I. Road, Jaipur - 302 001  
Tel: 0141-2360801/ 940/ 2364919  
Fax: 2360974

**Gopal Bari**

Thomas Cook (India) Limited  
19-C, First Floor, Gopal Bari,  
Ajmer Road, Jaipur - 302 001  
Tel: 0141-5102344/ 2369767

**Jaipur – (Airport)**

Thomas Cook (India) Limited  
Jaipur Airport, Jaipur - 302 011  
Tel: 0141-6451884/ 6451882

**JAISALMER**

Thomas Cook (India) Limited  
Shop No.1, Rana Kothar House,  
H.No.4, Commercial Complex,  
Gandhi Chowk, Jaisalmer,  
Rajasthan - 345 001  
Tel: 02992-253265/ 253679  
Fax: 253265

**JALANDHAR (ALFA ESTATE)**

Thomas Cook (India) Limited  
Gurmeet Building,  
Opp. President Hotel,  
Police Lines, Jalandhar - 144 001  
Tel: 0181-6450209 / 6450194  
Fax: 2242784

**JAMNAGAR**

Thomas Cook (India) Limited  
Shop No. 9, Gr. Floor,  
Shreedhan Palace, Near Town Hall,  
Jamnagar - 361 001  
Tel: 0288-6546314 upto 19  
Fax: 2664579

**JAMSHEDPUR**

Thomas Cook (India) Limited  
Hotel Nalanda. Gr. Floor,  
3 S B Area Shop, Bistupur,  
Jamshedpur - 831 001  
Tel: 0657-6452468/ 6452586/ 6452395

**JODHPUR**

Thomas Cook (India) Limited  
Shop No. 1, 184 Ajit Colony,  
Mahaveer Complex, Circuit House,  
Jodhpur - 342 001, Rajasthan  
Tel: 0291-6450633 upto 37  
Fax: 2512067

**KANNUR**

Thomas Cook (India) Limited  
Rasheedha Building,  
Ground Floor, Fort Road,  
Kannur - 670 001  
Tel: 0497-6450592/ 593/ 594

**KAPOORTHALA**

Thomas Cook (India) Limited  
45, Aman Nagar,  
Jaskirat Complex,  
Jalandhar Road,  
Kapurthala - 144 601  
Tel: 01822-657941/ 657942/ 657949/ 657950  
Fax: 502623

**KARNAL**

Thomas Cook (India) Limited  
SCO 201, Sector 12,  
Urban Estate,  
Karnal, Haryana,  
Karnal - 132 001  
Tel: 0184-6531566/ 8

**KOLHAPUR**

Thomas Cook (India) Limited  
Gemstone Complex Road,  
Vichare Complex,  
Near Central Bus Stand,  
Shahupuri,  
Kolhapur - 416 002  
Tel: 0231-6616425/ 26/ 27/ 28  
Fax: 6616429

**KOLKATA**

Thomas Cook (India) Limited  
19B, Shakespeare Sarani,  
1st Floor,  
Kolkata - 700 071  
Tel: 033-66526225/ 241/ 246  
Fax: 22830467

**Salt Lake**

Thomas Cook (India) Limited  
SDF Building, Module 304,  
Block EP & GP, Sector V,  
Bidhan Nagar, Salt Lake,  
Kolkata - 700 091  
Tel: 033-66526206/ 7/ 8  
Fax: 24229921

**South City**

Thomas Cook (India) Limited  
378, Lake Gardens,  
1st Floor, Police Station Lake,  
Kolkatta - 700 045  
Tel: 033-64542158/ 64542159  
Fax: 24229921

**Apollo Hospital**

Thomas Cook (India) Limited  
58, Canal Circular Road,  
Salt-Lake, Kolkata - 700 054  
Tel: 033-23203040/ 2122

**Lake Town**

Thomas Cook (India) Limited  
Lake Town Kolkata, 238 Lake Town,  
Block B, Ground Floor,  
Kolkata - 700 089  
Fax: 2534-0611

**KOTTAYAM**

Thomas Cook (India) Limited  
No. XIII/6A, Kailash Building,  
Near SBT Main Branch,  
Kottayam - 686 001  
Tel: 0481-6450197/ 153/ 158/ 165  
Telefax: 2585260

**KOVALAM**

Thomas Cook (India) Limited  
VP IX / 750, Aryanivas,  
Kovalam, Trivandrum - 695 527  
Tel: 0471-2485466/ 6450299  
Fax: 2485462

**LEH**

Thomas Cook (India) Limited  
Shop No. 1, First Floor,  
Samkar Gonpa Complex,  
Main Bazaar, Leh-Ladakh,  
Jammu & Kashmir - 194 101  
Tel: 01982-250519/ 250503

**LUCKNOW**

Thomas Cook (India) Limited  
1st Floor, 68 Hazrat Ganj,  
Opp. Gandhi Ashram,  
M. G. Road, Lucknow - 226 001  
Tel: 022-6459454/ 6459538  
Telefax : 2624849

**LUDHIANA**

Thomas Cook (India) Limited  
Mezzanine Floor, SCO 32,  
Feroze Gandhi Market,  
Ludhiana - 141 001  
Tel: 0161- 6614901-905/ 6614906-910  
Fax: 2413550

**MANGALORE**

Thomas Cook (India) Limited  
Ram Bhavan Complex,  
Nav Bharath Circle,  
Kodial Bail, Mangalore - 575 003  
Tel: 0824- 6450583/ 86/ 93

**MADURAI**

Thomas Cook (India) Limited  
Shop S V & W,  
KRV Arcade, Ground Floor,  
16 & 17 North Veli Street,  
Madurai - 625 001, Tamilnadu  
Tel: 0452-6444881/ 6444882  
Telefax: 2340685

**MCLEODGANJ**

Thomas Cook (India) Limited  
Shop No. 20,  
Runchal's Mount View,  
McLeodganj,  
Tehsil Dharamsala,  
District - Kangra - 176 219  
Tel: 01892-645032/ 645033

**MYSORE**

Thomas Cook (India) Limited  
Silver Tower, Ashok Road,  
Ground Floor,  
Do No. 9/2, New No. L-350,  
Lashkar Mohalla,  
Mysore - 570 001  
Tel: 0821-6453844/ 6453845  
Telefax: 2420090

**NASIK**

Thomas Navkar Heights,  
Ground Floor, Sharanpur Road,  
Near Rajeev Gandhi Bhavan,  
Nasik - 422 002  
Tel: 0253-6695055 upto 6695059

**NAGPUR**

Thomas Cook (India) Limited  
Shops No. 1, 2 & 3, Oasis Plaza,  
Gokul Peth, Off – WHC Road,  
Laxmi Bhavan Square, Nagpur - 440 010  
Tel: 0712-6647635 upto 38

**NAVSARI**

Thomas Cook (India) Limited  
Shop No. 1 & 2, S.P. Apartment,  
Opp. Navasari Nagar Palika Shopping Centre,  
Dudhiya Talao Road, Navsari (East) - 396 445  
Tel: 02637-652329/ 658007/ 658995  
Fax: 256142

**NAWANSHAHR**

Thomas Cook (India) Limited  
B-1/100, Opp. Adarsh Bal Vidyalaya,  
Banga Road, Nawanshahr,  
Punjab - 144 514  
Tel: 01823- 644001/ 644002/ 645296

**NOIDA**

Thomas Cook (India) Limited  
J/24 Sector 18, 1st Floor,  
Noida, Uttar Pradesh - 201 301  
Tel: 0120-6460639/ 41/ 42

**PATIALA**

Thomas Cook (India) Limited  
Leela Bhawan Market, Gr. Floor,  
S.C.O.N. - 156, Patiala - 147 001  
Tel: 0175-6539401 upto 405  
Fax: 2226564

**PATNA**

Thomas Cook (India) Limited  
Hotel Maurya Arcade,  
South Gandhi Maidan,  
Patna - 800 001  
Tel: 0612-6455266/ 6455275

**PHAGWARA**

Thomas Cook (India) Limited  
Indian Bank Building, G.T. Road,  
Phagwara, Punjab - 144 401  
Tel: 01824-645 950 upto 55  
Fax: 500100

**PONDICHERRY – I**

Thomas Cook (India) Limited  
2-A, Labour Donnais Street,  
Ground Floor, Pondicherry - 605 001  
Tel: 0413-6459092 upto 96  
Telefax: 2226136

**PUNE**

Thomas Cook (India) Limited  
13, Thacker House,  
2418 General Thimmaya Road,  
Pune - 411 001  
Tel: 020-66007901/ 66007902  
Fax: 26330978

**Bhandarkar Road**

Thomas Cook (India) Limited  
892, Amar House, Bhandarkar Road,  
Ground Floor, Deccan,  
Opp. Hotel Oakwood,  
Pune - 411 004  
Tel: 020- 66099670/ 66099681  
Fax: 66099680

**Chinchwad**

Thomas Cook (India) Limited  
A22, Empire Estate,  
Ground Floor,  
Mumbai-Pune Road, Chinchwad,  
Pune - 411 019  
Tel: 020-65100161  
Fax: 27456734

**Gulmohar Apts**

Thomas Cook (India) Limited  
2420, Gulmohar Apartments,  
General Thimmaya Road,  
Office No. 201, 2nd Floor,  
Pune - 411 001  
Tel: 020-66220621/ 622/ 623  
Fax: 26337392

**Shivaji Nagar**

Thomas Cook (India) Limited  
ICC Trade Towers,  
Sr. No. 985, Plot No. 403 A/2,  
Senapati Bapat Road,  
Shivaji Nagar,  
Pune - 411 016  
Tel: 020-66040210/ 11/ 12/ 13/ 14  
Telefax: 66029173

**Hinjewadi**

Thomas Cook (India) Limited  
Plot No. 7, Pune Infotech Park,  
M.I.D.C, Opp. Infosys, Hinjewadi,  
Pune - 411 057  
Tel: 020-64735005

**Gera Complex**

Thomas Cook (India) Limited  
Shope No. 7,  
P T Gera Complex,  
Dhole Patil Road,  
Pune - 411 001  
Tel: 020-66464380/ 79/ 77/ 82/ 89/ 86/ 83/ 76

**RAJASTHAN**

Thomas Cook (India) Limited  
Shriya Guest House Building,  
Pushkar - 305 022, Rajasthan  
Tel: 0145-9214211275/ 77

**RAJKOT**

Thomas Cook (India) Limited  
Shop No. 4 & 5, Shree Jee Complex,  
Near Swami Narayan Temple,  
Opp. Jalaram Petrol Pump,  
Kalawad Road, Rajkot - 360 001  
Tel: 0281- 6450185/186/207

**SALEM**

Thomas Cook (India) Limited  
Empire Arcade,  
1st Floor, Shop H,  
Commercial Complex  
356/1, Omalur Main Road,  
Salem - 636 004  
Tel: 0427-6444009 to 12

**SURAT**

Thomas Cook (India) Limited  
Shop No. UG-1, Raj Hans Plaza,  
Opp. Pizza Hut, Near Blind School,  
Ghod Dod Road, Surat - 395 007  
Tel: 0261-6592474 upto 80

**Ghoddhood Road**

Thomas Cook (India) Limited  
U-8, Rajhans Plaza,  
Ghoddhood Road,  
Surat  
Tel: 0261-2651017/ 2651018

**TIRUPATHI**

Thomas Cook (India) Limited  
2nd Floor, Central Park,  
Tilak Road,  
Tirupathi - 517 501  
Tel: 0877-6457421/ 22/ 23/ 24

**TRICHUR**

Thomas Cook (India) Limited  
Shop No. 19/44/07  
Ground Floor, Centre Point,  
M.G. Road, Thrichur - 680 004  
Tel: 0487-6444989/ 990/ 991

**TRICHY**

Thomas Cook (India) Limited  
JC Towers, Mazanine Floor,  
Next to Modern Computer Shop,  
Karur By Pass Road,  
Trichy - 620 018,  
Tel: 0431-6452023 upto 27

**TRIVANDRUM**

Thomas Cook (India) Limited  
TC 25 / 2421 (1),  
Ground Floor, Soundarya Building,  
M.G. Road, Trivandrum - 695 001  
Tel: 0471-6450219/ 6450128/ 6450225  
Off.Telefax: 2338142

**S.L. Theatre Road**

Thomas Cook (India) Limited  
28/2392, Ground Floor,  
Pournima Building, S.L.Theatre Road,  
Overbridge Junction,  
Thiruvanthapuram - 695 001  
Tel: 0471-6450217/ 6450213/ 6450214/ 216  
Fax: 2473364

**VARKALA**

Thomas Cook (India) Limited  
Kerala Bamboo, Kurakkanni, Cliff,  
Varkala, Trivandrum  
Tel: 0471-3021377/ 9349379753

**UDAIPUR**

Thomas Cook (India) Limited  
Shop No. 3/4,  
Rang Niwas Hotel Compound,  
Lake Palace Road,  
Udaipur - 313 001  
Tel: 0294-6450442 upto 46  
Telefax: 2423358

**Udaipur – Airport**

Thomas Cook (India) Limited  
Maharana Pratap Airport  
Dabok, Udaipur - 313 023  
Tel: 0294-2657478/ 6450438

**UDUPI**

Thomas Cook (India) Limited  
26C, 26B, Ground Floor, Vasuki Tower  
Opp. Taluk Office, Udupi - 576 101  
Tel: 0820-6451220/ 6451229

**VARANASI**

Thomas Cook (India) Limited  
S-20/ 51-5, S0-20/52-4,  
Sridas Foundation, The Mall Road,  
Cantt Varanasi, Varanasi - 221 002  
Tel: 0542-2500310/ 2505929  
Fax: 2509946

**VIJAYAWADA**

Thomas Cook (India) Limited  
Door No. 39-1-68 A, NTS No. 459,  
Labbipet, Near Taj Gateway, M.G. Road,  
Vijayawada - 520 010  
Tel: 0866-6636436/ 37/ 38/ 39

**VISHAKAPATNAM**

Thomas Cook (India) Limited  
Eswar Plaza,  
Door No. 47-14-7,  
Gr. Floor, Dwarka Nagar,  
Vishakapatnam - 530 016  
Tel: 0891-6692581 upto 67

**VRINDAWAN**

Thomas Cook (India) Limited  
Raas Bihari Complex,  
Raman Reti Road,  
Vrindawan - 281 121  
Tel: 0565-6453728/ 64516280

**THOMAS COOK INSURANCE SERVICES (INDIA) LIMITED (INSURANCE & CARDS SERVICES) – OFFICES****MUMBAI****Head Office****D. N. Road**

Thomas Cook Insurance Services (India) Limited  
Thomas Cook Building,  
D. N. Road, Fort,  
Mumbai - 400 001  
Tel: 022-61603333  
Telefax: 22871069

**AHMEDABAD**

Thomas Cook Insurance Services (India) Limited  
“Supermall”, 30-33,  
Ground Floor, Near Lal Bungalow,  
C. G. Road, Ahmedabad - 380 009  
Tel: 079-6663 9999/ 5555

**BENGALURU**

Thomas Cook Insurance Services (India) Limited  
70, M. G. Road,  
Vimal Chambers Building, 2nd Floor,  
Bengaluru - 560 001  
Tel: 080-67178834

**BHOPAL**

Thomas Cook Insurance Services (India) Limited  
Shop No. 1, Gr. Floor,  
Alankar Building, Zone No. 2,  
M. P. Road, Bhopal - 462 011  
Tel: 0755-6463503 upto 7

**CHANDIGARH**

Thomas Cook Insurance Services (India) Limited  
SCO – 28/29/30, Sector – 9D,  
Madhya Marg, Chandigarh - 160 017

**CHENNAI**

Thomas Cook Insurance Services (India) Limited  
TCI – “Heavitree”,  
47, Spurtank Road, Chetpet,  
Chennai - 600 031  
Tel: 044-66632620

**COCHIN**

Thomas Cook Insurance Services (India) Limited  
Palal Towers,  
1st Floor, Right Wing,  
M.G. Road, Cochin - 682 016  
Tel: 0484-6607710

**COIMBATORE**

Thomas Cook Insurance Services (India) Limited  
14 & 15, City Center,  
1st Floor, Opp. Sree Annapurna,  
East Arokiyasamy Road,  
R. S. Puram,  
Coimbatore - 641 002  
Tel: 0422-6450753/ 6451916

**DELHI**

Thomas Cook Insurance Services (India) Limited  
C-35 Connaught Place,  
Inner Circle,  
New Delhi - 110 001  
Tel: 011-66272029/ 30

**GURGAON – UDYOG VIHAR**

Thomas Cook Insurance Services (India) Limited  
Plot No. 520,  
Udyog Vihar Phase - 3,  
Gurgaon - 122 016  
Tel: 0124-6120100

**HYDERABAD**

Thomas Cook Insurance Service (India) Limited  
6-1-57, Nasir Arcade,  
Saifabad,  
Hyderabad - 500 004  
Tel: 040-66742750

**INDORE**

Thomas Cook Insurance Services (India) Limited  
Shop No. UG 1 & UG 9,  
4, Yeshwant Niwas Road,  
Indore - 452 001  
Tel: 0731-6454533/ 753/ 775/ 833/ 837

**JAIPUR**

Thomas Cook Insurance Services (India) Limited  
2 (A & B) Ground Floor,  
Opposite A.I.R., Jaipur Towers,  
M.I. Road, Jaipur - 302 001  
Tel: 0141-5114141

**KOLKATA**

Thomas Cook Insurance Service (India) Limited  
19B, Shakespeare Sarani, 1st Floor,  
Kolkata - 700 071  
Tel: 033-22824711/ 12

**MANGALORE**

Thomas Cook (India) Limited  
Ram Bhavan Complex,  
Nav Bharath Circle,  
Kodial Bail,  
Mangalore - 575 003  
Tel: 0824-6450583/ 86/ 93

**MYSORE**

Thomas Cook (India) Limited  
Silver Tower, Ashok Road,  
Ground Floor, Do No. 9/2,  
New No. L-350,  
Lashkar Mohalla,  
Mysore - 570 001  
Tel: 0821-6453844/ 6453845

**NAGPUR**

Thomas Cook Insurance Services (India) Limited  
Shops No. 1, 2 & 3,  
Oasis Plaza,  
Gokul Peth, Off WHC Road,  
Laxmi Bhavan Square,  
Nagpur - 440 010  
Tel: 0821-6647635 upto 38

**NASIK**

Thomas Cook Insurance Services (India) Limited  
Navkar Heights,  
Ground Floor, Sharanpur Road,  
Near Rajeev Gandhi Bhavna,  
Nasik - 422 002  
Tel: 0253- 6695055 upto 6695059

**PUNE**

Thomas Cook Insurance Service (India) Limited  
13, Thacker House,  
2418 General Thimmaya Road,  
Pune - 411 001

**RAJKOT**

Thomas Cook (India) Limited  
Shop No. 4 & 5,  
Shree Jee Complex,  
Near Swami Narayan Temple,  
Opp. Jalaram Petrol Pump,  
Kalawad Road, Rajkot - 360 001  
Tel: 0281- 6450185/ 186/ 207

## TRAVEL CORPORATION (INDIA) LIMITED – OFFICES

**MUMBAI****Head Office****Nariman Point**

Thomas Cook (India) Limited  
Chandra Mukhi, First Floor,  
Nariman Point,  
Mumbai - 400 021  
Tel: 022-66090000  
Fax: 66092003

**AGRA**

Travel Corporation (India) Limited  
Hotel Clarks Shiraz, 54, Taj Road,  
2226521 upto 3  
Agra - 282 001  
Tel: 0562-6458188  
Fax: 2226524

**BARODA**

Travel Corporation (India) Limited  
33-36, Alkapuri Shopping Centre,  
Vishwas Colony, Alkapuri,  
Baroda - 390 005  
Tel: 0265-6634716/ 17/ 18/ 19  
Fax: 2354742

**CHENNAI**

Travel Corporation (India) Limited  
“Heavitree”,  
47, Spurtank Road, Chetpet,  
Chennai - 600 031  
Tel: 044-66632607/ 66632610/ 66632623

**COCHIN**

Travel Corporation (India) Limited  
Telstar Building,  
1st Floor, P.B. No. 2427,  
Ravipuram, M.G. Road,  
Cochin - 682 016  
Tel: 0484- 6563 211 To 222  
Fax: 2359475

**NEW DELHI**

Travel Corporation (India) Limited.  
C-35 Connaught Place,  
Inner Circle,  
New Delhi - 110 001  
Tel: 011-66271900  
Fax: 66272100

**GOA**

Travel Corporation (India) Limited  
101, Citi Centre,  
19, Patto Plaza,  
Panjim, Goa - 403 001  
Tel: 0832-6639151/ 6639156/ 6639150

## INTERNATIONAL BRANCHES – TRAVEL CORPORATION (INDIA) LIMITED

**SPAIN****Barcelona**

Travel Corporation (India) Limited  
Aribau 265, 4-1  
08021, Barcelona,  
Spain  
Tel: 0034-93-2001415/ 93-2412255  
Fax: 93-4140333

**Madrid**

Travel Corporation (India) Limited  
C/Cristobal Bordiu,  
35 – Oficina 410  
28003, Madrid,  
Spain  
Tel: 0034-91-5545457  
Fax: 0034-91-5533887

**UNITED KINGDOM****London**

Travel Corporation (India) Limited  
St. Mary's Court,  
The Broadway, Old Amersham,  
Buckinghamshire, HP7 0UT  
Tel: 00-44-1494 618 450  
Fax: 1494 618 451

**GERMANY****Frankfurt**

Travel Corporation (India) Limited  
Joachim-Becher-Strasse 8  
60320 Frankfurt, Germany  
Tel: 0049-69 565353  
Fax: 69 5604165

**USA****New York**

Travel Corporation (India) Limited  
358 Fifth Avenue,  
Suite 1201,  
New York, NY 10001, USA  
Tel: 001-212- 935 4825  
Fax: 001212-753 - 3956  
Toll Free: 1-8008246342

**JAPAN****Tokyo**

Travel Corporation (India) Limited  
502, Tachibana Buiding,  
3 -14 -15 Shibaura,  
Minato-Ku, Tokyo  
Tel: 00813- 3456-5959  
Fax: 3456-5960  
Japan – 108 – 0023

**NEPAL****Kathmandu**

Travel Corporation (India) Limited  
P. O. Box: 13912  
Kamaladi, Kathmandu,  
Nepal  
Tel: 009771-4220830/ 4220711  
Fax: 4223439

Website : [www.tcindia.com](http://www.tcindia.com)

Call Centre: 67686970, Fax : 66091875

Toll-free (Within India) 1800 222665 – MTNL / 1800 2099100 – Tata

## INTERNATIONAL BRANCHES / SUBSIDIARIES – THOMAS COOK (INDIA) LIMITED

**MAURITIUS****Anglo Mauritius House**

Thomas Cook (Mauritius) Operations Co.Limited  
Anglo Mauritius House,  
4, Intendance Street, Port Louis  
Tel: 00-230-213 4141  
Fax: 213 4142

**Caudan**

Thomas Cook (Mauritius) Operations Co.Limited  
Caudan, Shop - 036,  
Le Caudan Waterfront II  
Port Louis  
Tel: 00-230-210 9660  
Fax: 210 9674

**Grand Bay**

Thomas Cook (Mauritius) Operations Co. Limited  
Restaurant Palais De Chine,  
Royal Road,  
Grand Bay  
Tel: 2631111  
Fax: 263 4444

**Arsenal**

Thomas Cook (Mauritius) Operations Co. Limited  
Shop 1A, Arsenal Shopping Complex,  
Royal Road Arsenal  
Tel: 2491248  
Fax: 2491248

**Flic En Flac**

Thomas Cook (Mauritius) Operations Co. Limited  
Opposite Pasadena Village,  
Flic En Flac.  
Tel: 453 8447  
Fax: 453 8448

**Curepipe**

Thomas Cook (Mauritius) Operations Limited  
Currimjee Arcades,  
Sir Winston Churchill Street, Curepipe  
Tel: 00-230-670 1975  
Fax: 670 1988

**Quatre Bornes**

Thomas Cook (Mauritius) Operations Limited  
Select Market, Royal Road,  
Quatre Bornes,  
Mauritius  
Tel: 00-230-427 8040

**Flacq**

Thomas Cook (Mauritius) Operations Limited  
Royal Road, Opposite Taxi Stand,  
Central Flacq  
Tel: 00-230-413 0123  
Fax: 413 0754

**Trou Aux Biches**

Thomas Cook (Mauritius) Operations Limited  
Coastal Road,  
Trou Aux Biches  
Tel: 00-230-265 7241  
Fax: 265 7249

**Trou Deau Douce**

Thomas Cook (Mauritius) Operations Limited  
Coastal Road,  
Vidya Yenkadu,  
Trou Deau Douce  
Tel: 00-230-480 1449

**Rivière Noire**

Thomas Cook (Mauritius) Operations Limited  
Royal Road,  
Rivière Noire  
Tel: 00-230-483 8815

**Floreal**

Thomas Cook (Mauritius) Operations Limited  
Adamas Complexe,  
Floreal  
Tel: 00-230- 697 6342

**Wolmar**

Thomas Cook (Mauritius) Operations Limited  
Flic En Flac,  
Wolmar  
Tel: 00-230- 453 5630

**Belle Mare**

Thomas Cook (Mauritius) Operations Limited  
Coastal Road, Belle Mare  
Tel: 00-230-4152222

**Triolet**

Thomas Cook (Mauritius) Operations Limited  
Royal Road, Triolet  
Tel: 00-230- 261 2852

**Mahebourg**

Thomas Cook (Mauritius) Operations Limited  
Atchia Buliding, Corner Marianne Et,  
Labourdonnais Street,  
Mahebourg  
Tel: 00-230-631 1953

**Rose Belle**

Thomas Cook (Mauritius) Operations Limited  
Complex Le Vieux Moulin,  
Rose Belle  
Tel: 00-230-627 2016

**Airport**

Thomas Cook (Mauritius) Operation Co. Limited  
SSR International Airport,  
Plaisance, Plaine Magnien,  
Mauritius  
Arrival - 603 6061  
Departure - 603 6062  
Fax: 637 9116

**SRILANKA****Bandaranike International Airport**

Thomas Cook (India) Limited  
Bandaranaike International Airport,  
Katunayake, Srilanka  
Tel: 00 94-114 832881 - Arrival  
114 833784 - Departure

**Union Place**

Thomas Cook (India) Limited  
No. 393, Colombo 2,  
Union Place, Srilanka  
Tel: 00 94- 114 741515







## 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-FOURTH ANNUAL GENERAL MEETING** of the Company to be held on Thursday, 5th May, 2011 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 \_\_\_\_\_, 2011

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-FOURTH ANNUAL GENERAL MEETING** of THOMAS COOK (INDIA) LIMITED held on Thursday, 5th May, 2011 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

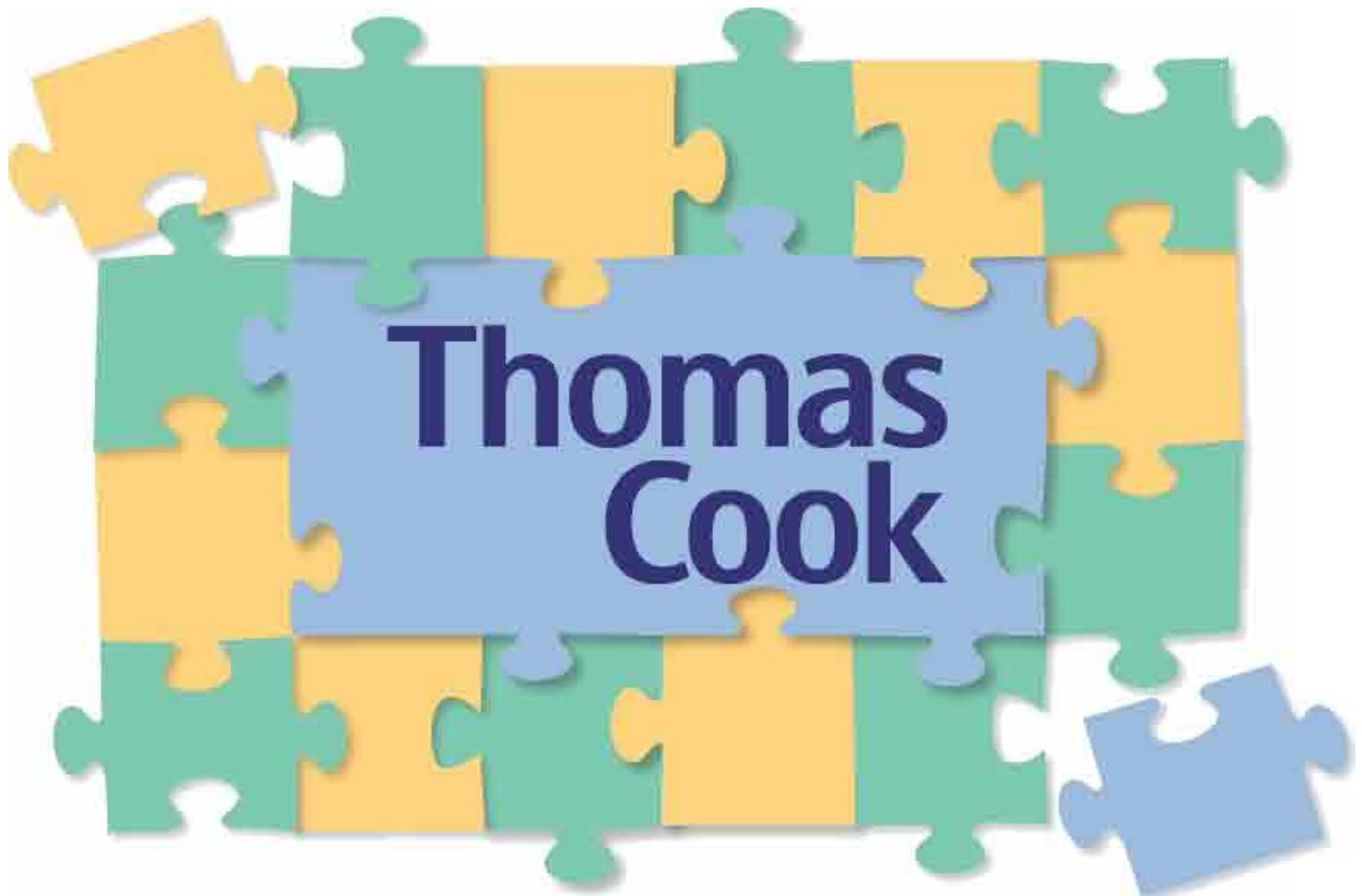
Notes :

- (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



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**Registered Office:**  
**Thomas Cook (India) Limited,**  
**Thomas Cook Building,**  
**Dr. D. N. Road,**  
**Fort, Mumbai - 400001**  
**[www.thomascook.in](http://www.thomascook.in)**



## NOTICE

**NOTICE** is hereby given that the Thirty-fourth 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, 5th May, 2011 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, 2010, the Profit and Loss Account for the year ended 31st December, 2010, the Report of the Directors and the Auditors thereon.
2.
  - a) To declare Dividend for Class 'B' Preference Shares.
  - b) To declare Dividend for Class 'C' Preference Shares.
  - c) To declare Dividend for Equity Shares for the year ended 31st December, 2010.
3. To appoint a Director in place of Mr. M. K. Sharma, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ramesh Savoor, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. Krishnan Ramachandran, 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, Firm Registration No. W4179, 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 01-01-2011 to 31-12-2011 at a remuneration to be fixed by the Board of Directors and the Branch Auditors mutually."

### SPECIAL BUSINESS:

8. **Re-appointment of Mr. Rakshit Desai, Executive Director – Travel Services**

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 Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and read with Schedule XIII of the said Act and in terms of the recommendation of the Recruitment & Remuneration Committee and the approval of the Board of Directors of the Company vide their respective circular resolutions dated 15th November, 2010, and 24th November, 2010, and subject to the approval of Central Government, and such other approvals of applicable authority(ies), if any, as may be required, the approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Rakshit Desai, Whole-time Director, designated as an Executive Director – Travel Services for a period of one year commencing from 25th November, 2010 to 24th November, 2011 and on the terms and conditions as set out in the Agreement entered into between the Company and Mr. Rakshit Desai, Executive Director – Travel Services, 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 or any amendments and/or modification(s) thereto as may be agreed to between the Board and Mr. Rakshit Desai, subject to the approval of the Central Government, if any, as may be required to such alteration(s)/ variation(s)/ amendment(s);

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, the remuneration as stated above, be paid as a minimum remuneration during the currency of his tenure from 25th November, 2010 upto 24th November, 2011, subject to the requisite approvals, if any, as may be required;

**RESOLVED FURTHER THAT** pending the receipt of approval from the requisite authorities, if any, as may be required, Mr. Rakshit Desai shall draw the above stated remuneration as minimum remuneration during the currency of his tenure;

**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 may be acceptable to the Company and Mr. Rakshit Desai;

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto."

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: 17th February, 2011

**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 Thursday, 28th April, 2011 to Thursday, 5th May, 2011 (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 in the Register of Members of the Company on Thursday, 5th May, 2011 and to those shareholders of the Company, holding shares in electronic form, whose names appear in the Benpos (Beneficiary Position) download received from the depositories as of end of day of Wednesday, 27th April, 2011.
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 2004 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 2004 or thereafter are requested to write to the Company's Registrars and Share Transfer Agents.

All Unclaimed Dividend remaining unpaid/unclaimed for the financial year ended 31st October, 2002, has been transferred and for the financial year ended 31st October, 2003, dividend for which was declared at the Annual General Meeting of the members held on 27th February, 2004, will be transferred by April, 2011, to the IEPF.

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. For members holding shares in physical form, the prescribed format is attached and can also 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. For members holding shares in electronic form, you are requested to approach your Depository Participant (DP) for the same.
10. Mr. M. K. Sharma, Mr. Ramesh Savoor and Mr. Krishnan Ramachandran 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.

**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 17th February, 2011.

**Item No. 8****Re-appointment of Mr. Rakshit Desai**

Mr. Rakshit Desai, aged 35, was appointed as Executive Director – Travel Services with effect from 25th November, 2008 for a period of two years upto 24th November 2010. He was re-appointed for a further term of one year by the Board of Directors vide circular resolution dated 24th November, 2010 upon the recommendation of the Recruitment & Remuneration Committee vide its circular resolution dated 15th November, 2010 with effect from 25th November, 2010 to 24th November, 2011, subject to the approval of members of the Company and of Central Government, if any, as may be required.

He joined the Thomas Cook Group in 2003 and had 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 off shoring of the UK back office; leading the operations of thomascook.com; M&A in Financial Services; and subsequently membership of the UK Executive Board overseeing strategic planning, post-merger integration and general business transformation. Prior to joining the Thomas Cook Group, he was with Roland Berger Strategy Consultants, London where he specialised in strategic and transformational issues for major multinational corporations.

He has a B.Com. degree from Sydenham College, Mumbai; an MBA from Griffith University, Australia and M.Sc. from The London School of Economics, UK.

Mr. Rakshit Desai has vast knowledge of the international practices and processes followed in matured travel markets across Europe, North America and the Middle East which would enable the Company and its subsidiaries to grow the travel businesses substantially. He is also in-charge of the Travel Operations of the subsidiaries. The Company believes that despite the current economic slowdown that has impacted the travel and tourism business world wide, Mr. Desai's contribution to travel business will enable it to reach new heights.

With Mr. Desai at the helm of the Travel Businesses at Thomas Cook India, it would enable the Company and its subsidiaries to grow the travel businesses substantially in size, deliver quality earning consistent with brand leadership and achieve growth and earning objectives through customer delight.

One of the key responsibilities would be to integrate India business with Thomas Cook world wide and derive the synergy benefits in this process by using the existing resources such as people, place, aircrafts, relationships, technology etc.

Having regard to the role, responsibility and expertise of Mr. Desai, it would be in the interest of the Company to have him continue on the Board as Executive Director – Travel Services.

The material terms and conditions as approved by the Board of Directors and contained in the agreement entered into between Mr. Rakshit Desai and the Company for re-appointment are as follows:

#### **REMUNERATION:**

##### **Salary:**

An Indian Rupee equivalent to Sterling Pound One Lakh (GBP 1,00,000/-) per annum or as may be decided by the Board from time to time, not exceeding Rs. 9,00,000/- (Rupees Nine Lakh Only) per month subject to such annual increments as the Recruitment & Remuneration Committee and/or the Board may determine and approve, from time to time.

##### **Other Allowance:**

Other Allowance shall be restricted to an amount equivalent to Mr. Desai's Annual Basic Salary.

##### **Special Allowance:**

Special Allowance shall be payable on a monthly/ annual basis, as the Board may in its sole and absolute discretion determine.

##### **Performance Bonus:**

Performance Bonus shall be 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 as 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:* House Rent Allowance (H.R.A.) or Company provided accommodation equivalent to not more than Rs. 75,00,000/- (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 Rs. 18,50,000/- (Rupees Eighteen Lakh, Fifty Thousand Only) 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. Reimbursement of medical expenses incurred for himself and his family;
- vi. *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;
- vii. Personal Accident Insurance for Mr. Desai as per the Company policy;
- viii. *Health Check Up:* The Company shall bear the cost of an Annual Comprehensive Health check-up for Mr. Desai;
- ix. *Executive Travel Concession:* Mr. Desai shall be entitled to an Indian Rupee equivalent to GBP 15,000/- each calendar year to holiday at destinations promoted by the Thomas Cook Group, in accordance with the policy of the Company;
- x. *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;
- xi. 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;
- xii. Any other benefit/perquisite as may be determined by the Board at its discretion from time to time.

#### **Retirement Benefits:**

Company's contribution to Provident Fund as per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 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.

##### *Other Benefits and Amenities:*

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

- i. Telephone;
- ii. Medical Insurance; and
- iii. Health Check up.



The expression "family" used in this Agreement, shall mean Mr. Desai's spouse and dependent children below the age of 21 years, or as determined by the Company from time to time.

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

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

#### **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, the aforesaid remuneration payable by the Company to Mr. Desai shall be paid as minimum remuneration, subject to approval by the Members of the Company and the Central Government;
- (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.

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.

Notwithstanding anything to the contrary herein contained, the Company may terminate the Agreement with immediate effect, without incurring any obligation to give three (3) months' notice or to pay in lieu of notice period, if Mr. Desai:

- (a) commits a breach of any of the terms, provisions or covenants herein contained;
- (b) is found to be guilty of inattention, negligence, dishonesty or misconduct by the Board;
- (c) becomes disqualified or unable to act as a director of the Company for any reason whatsoever, including pursuant to the provisions of sections 274 and 283 of the Act; and
- (d) is unable or is prevented by reason of ill health or accident, disability, physical or mental, from performing his duties under this Agreement for a period of six (6) months in any twelve (12) consecutive calendar months.

Notwithstanding anything to the contrary herein contained or implied:

- (a) the Company shall be entitled to terminate the Agreement at any time by giving Mr. Desai not less than three (3) months' notice in writing in that regard, without assigning any reason thereto, or upon payment to Mr. Desai of the Basic Salary payable to him for a period of three (3) months in lieu of such notice period.
- (b) Mr. Desai shall be entitled to terminate this Agreement at any time by giving to the Company not less than three (3) months' notice in writing in that regard, without assigning any reason thereto.

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, 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.

A copy of the Agreement entered into by the Company with Mr. Rakshit Desai is available for inspection by the Members at the Registered Office of the Company on all its working days except Saturdays, Sundays and public holidays between 11 a.m. and 1 p.m. upto the date of the ensuing Annual General Meeting and will also be available for inspection at the Meeting.

The Board of Directors, therefore, commends the passing of the Special Resolution contained in Item No. 8 of the accompanying Notice.

No Director other than Mr. Rakshit Desai may be considered to be concerned or interested in the said 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: 17th February, 2011