

# Transforming today to serve tomorrow's travellers.

Thomas Cook (India) Limited  
Annual Report 2013



## BOARD OF DIRECTORS

Mahendra Kumar Sharma (Non-Executive Chairman-Independent)  
Madhavan Menon (Managing Director)  
Ramesh Savor (Non-Executive Independent Director)  
Krishnan Ramachandran (Non-Executive Independent Director)  
Harsha Raghavan (Non-Executive Director)  
Chandran Ratnaswami (Non-Executive Director)  
Uday Khanna (Non-Executive Independent Director)  
Kishori Udeshi (Non-Executive Independent Director)

## COMPANY SECRETARY

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

## AUDITORS

Lovelock & Lewes

## PRINCIPAL BANKERS (in alphabetical order)

Axis Bank Limited  
Bank of America  
Deutsche Bank  
HDFC Bank Limited  
ICICI Bank Limited  
IndusInd Bank Limited  
IDBI Bank Limited  
Kotak Mahindra Bank Limited  
State Bank of India

## REGISTRARS AND SHARE TRANSFER AGENTS

M/s. TSR Darashaw Private 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: 0091-22-6160 3333  
Fax: 0091-22-2287 1069/ 0091-22-6609 1454  
Email: sharedept@in.thomascook.com  
Website: www.thomascook.in

## CALL CENTRE

Toll-Free No. 1800-20-99-100  
Fax: 0091-22-2529 1196  
Email: support@thomascook.in  
SMS: Short Key>Holidays send to no: 56767100

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# BOARD OF DIRECTORS



## Top row from left to right

Harsha Raghavan  
(Non-Executive Director)

Krishnan Ramachandran  
(Non-Executive Independent Director)

Uday Khanna  
(Non-Executive Independent Director)

Chandran Ratnaswami  
(Non-Executive Director)

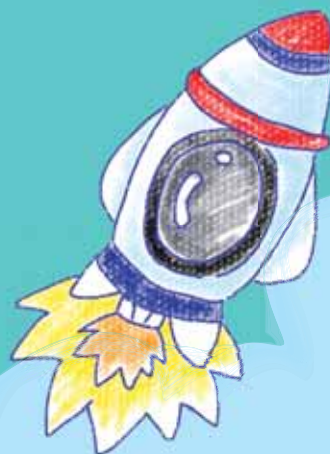
## Bottom row from left to right

Kishori Udeshi  
(Non-Executive Independent Director)

Mahendra Kumar Sharma  
(Non-Executive Chairman - Independent)

Madhavan Menon  
(Managing Director)

Ramesh Savor  
(Non-Executive Independent Director)



# EXECUTIVE COMMITTEE MEMBERS



**Madhavan Menon**  
Managing Director



**R. R. Kenkare**  
President & Head  
Legal and Company Secretary



**Debasis Nandy**  
President & Chief Financial Officer



**Rajeev Kale**  
Chief Operating Officer - Leisure Travel  
(MICE, Domestic Cruises & Sports Holidays)



**Mahesh Iyer**  
Chief Operating Officer  
Foreign Exchange



**Amit Madhan**  
Chief Operating Officer  
IT & E-Services



**Prashant Narayan**  
Senior Vice President & Head-  
Leisure Travel (Inbound)



**Indiver Rastogi**  
Chief Operating Officer & Head-  
Global Enterprise Business



**Abraham Alapatt**  
Head Marketing



**Jatinder Paul Singh**  
Senior Vice President & Head-  
Sales & Distribution,  
Leisure Travel (Outbound)



**Shibani Phadkar**  
Senior Vice President  
Leisure Travel (Outbound),  
Products and Operations



**Adrian Williams**  
Head - Human Resources



# Directors' Report

To the Members:

Your Directors have pleasure in presenting the Thirty-Seventh Annual Report, together with the Balance Sheet and Statement of Profit and Loss for the financial year ended 31st December, 2013.

₹ in Million except Earnings Per Share

	Year ended 31st December 2013	Year ended 31st December 2012
Total Revenue	3836	3864
Profit before Tax	703	738
Provision for Taxation	260	252
(Write back)/ Provision for Deferred Taxation	(18)	(6)
Profit after Taxation	461	492
Transferred to General Reserve	46	49
Proposed Dividend	93	80
Earnings Per Share - Basic (per equity share of ₹ 1/- each)	1.96	2.31
Earnings Per Share - Diluted (per equity share of ₹ 1/- each)	1.91	2.26

## Operations & Results

The Travel and Tourism Industry has maintained a steady pace of recovery from the after effects of economic recession. Customers remained cautious while spending on their travel and foreign exchange requirements. Your Company continued its focus on launching new and innovative products, while maintaining its concentration on acquisition of new clients and providing un-paralleled customer service, which led to maintaining moderate business volumes.

To keep up with the changing needs of the customers and to ensure seamless delivery, your Company kept on investing in new technology. The efforts to fortify the structure will continue in the coming year as will cost management through efficiency and productivity improvement leading to bottom-line growth.

Inbound tourism market has expanded due to efforts of government to promote tourist attractions in India. Your Company expanded its Foreign Exchange and Travel distribution network by opening several new stores and appointing new franchisees across the country and launched an array of new products to meet a wide range of customer needs. These new products are targeted at new customer segments as part of strategy.

Your Company recorded total revenue of ₹ 3836 million and profit before tax of ₹ 703 million with profit after tax being ₹ 461 million for the year ended 31st December 2013. The basic earning per share of the Company is ₹ 1.96.

## Thomas Cook Presence

As of December 2013 end, your Company, along with its subsidiaries, continues to be among the largest integrated travel groups in India. Your Company operates through 242 branches located in 99 cities, 165 PSAs and 134 Gold Circle Partner outlets to have a wider spread and network across the country.

Your Company also has presence in 13 countries outside India through its branches/ representative offices in USA (New York), Spain (Barcelona & Madrid), UK (London), Japan (Tokyo), Germany (Frankfurt), Nepal (Kathmandu), Australia (Sydney), China (Beijing), South Korea (Seoul), Portugal (Porto), Russia (Moscow), apart from its subsidiaries in Mauritius and Sri Lanka.

## Share Capital Structure

The share capital structure as of 19th February, 2014 is as follows:

	Rupees	Rupees
<b>Authorised Capital:</b>		
Equity:		
345827060 Equity Shares of ₹ 1/- each	345,827,060	
Preference:		
(i) 114760000 Class 'A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10/- each	1,147,600,000	
(ii) 355294 Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each	3,552,940	
(iii) 302000 Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each	3,020,000	
(iv) 125000000 Preference Shares of ₹ 10/- each	1,250,000,000	
		2,750,000,000
<b>Issued, Subscribed and Paid-up Capital:</b>		
Equity:		
247680897 Equity Shares of ₹ 1/- each	247,680,897	
Preference:		
(i) 319765 Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each	3,197,650	
(ii) 271800 Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each	2,718,000	
		253,596,547

Note: Pursuant to the execution of the consent terms dated February 5, 2014 with LKP Finance Limited which the Board of Directors approved and ratified at its meeting held on 7th February, 2014, the Company shall convert 319,765 Class 'B' 0.001% Cumulative Convertible/ Redeemable Preference Shares of ₹ 10/- each and 271,800 Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each held by LKP Finance Limited in the Company, into 5,140,000 Equity Shares of ₹ 1/- each of the Company, subject to necessary approvals.

### 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 Thomas Cook Employees Stock Option Plan (ESOP 2013) 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. 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 along with Interest accrued.

During the year 2013, 1054000 options were approved for grant under the Thomas Cook Employees Stock Option Plan 2007 and 4202438 options were approved for grant under the Thomas Cook Employees Stock Option Plan (ESOP 2013). However, there were no options were approved for grant under SAYE Scheme 2010.

The Recruitment & 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.

During the year, certain senior managerial personnel and other employees have received options exceeding 5% of the value of the options granted details of whom are annexed to this report. Further, no employee has received options equal to or exceeding 1% of the issued capital of the Company at the time of grant during the year.

### Dividend

Your Directors recommend dividend on the Class 'B' & 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 ₹ 93 million for dividend and ₹ 16 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 ₹ 46 million to General Reserve out of the profits of the Company. With the transfer, the total reserves stand at ₹ 5854 million as at 31st December 2013.

## Director's 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

### *Fairfax Financial Holdings Limited*

The current promoter of your Company, Fairbridge Capital (Mauritius) Limited is a 100 % step down subsidiary of Fairfax Financial Holdings Limited, ("Fairfax"), a Toronto based financial services holding company with a global presence in insurance and reinsurance and a portfolio of assets in excess of \$30 billion invested worldwide. The Company founded in 1985 by the present Chairman and Chief Executive Officer, Mr. Prem Watsa, has over the past 29 years, demonstrated a strong financial track record to achieve an annual appreciation in Book Value per share of 21.3%. Fairfax is listed on Toronto Stock Exchange.

Fairfax has 20 general insurance subsidiaries and joint ventures globally, including ICICI Lombard (India). The portfolio also includes several market leading insurance companies such as Odyssey Re (USA), Crum & Forster (USA), First Capital (Singapore), Fairfax Brasil (Brazil), Gulf Insurance (Kuwait).

Fairfax is engaged in long term investments from its own resources, with a focus to deliver long term capital appreciation through a flexible and value oriented approach.

Thomas Cook (India) Limited is a part of Fairfax group. As on date, the promoter holds 74.96% of the total paid up equity share capital of the Company.

## Thomas Cook (India) Limited

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

The year 2013 saw the overall Foreign Exchange volumes increase by 5.7% despite the uncertainty that surrounded the Rupee for most part of the year.

The year saw appreciable growth of our portfolio of retail products. The strong leisure travel trends for both group and individual travel business and the outreach program with channel partners helped grow the Holiday foreign exchange business by 18%. Despite the weakness in the Rupee which makes studying abroad a more expensive proposition, the student business grew by 3% over last year on account of various targeted digital marketing initiatives taken during the year.

Corporates remained cautious while spending on travel and foreign exchange. Your Company continued focus on acquisition of new clients and strove to provide un-paralleled customer service along with a suite of products, which led to a moderate increase of 8% in volumes.

Your Company further strengthened its Inward Remittance business both from a penetration perspective as well as from a business growth perspective. According to the latest issue of the World Bank's 'Migration and Development Brief', released on 2nd October, 2013, India is expected to have received USD 71 billion in the year 2013 and to have remained the top recipient of Inward remittances for the sixth consecutive year. Your Company has grown its inward remittance business at a faster rate than this growth in the overall inward remittance market in India and ended the year with over 18,000 agent locations across the country. The volumes in this business have grown at a CAGR of 31% over the last 3 years.

In the light of handsome growth in the insurance sector, the Company continues its focus on Travel insurance. With the strategy of being a complete travel solution provider, the insurance arm of Thomas Cook tries to understand the specific needs of the customers and offers the best product which suits the requirement. It helps in garnering higher share of wallet and building customer loyalty.

The depreciation of rupee by 12% did make India a more attractive destination, but inbound tourism has not grown to the expectations due to sluggish economic climate in source markets in 2013.

Cost Management programme continued, so as to optimize manpower resources. We commenced settling of airline payments for some airlines via corporate credit card, which afforded us higher credit period. We also had a deeper penetration in our offshore ticketing business where we greatly increased the volumes of ticketing from outside India to the country, thereby boosting up our revenue.

With technology being the main driver, the Company will also be in a position to do an intelligent cross sell to the existing as well as newly acquired customer base and drive efficiencies.

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

Through the step down subsidiary viz: TC Visa Services (India) Limited, the Company handled 1.6 mn transactions in 2013 with a growth of

40% in direct business through direct corporates and walk-in applicants and is growing leaps and bounds capturing and setting a strong foot in the Visa business. Apart from catering to the Travel Businesses of your Company and adding direct external customers for their visa and passport needs, it also serves ancillary transactions [Attestations, Legalization, Apostille, Translation, Notarization of documents, Foreigners Regional Registration Office (FRRO) registration/ visa extension/ exit permit, procures People of Indian Origin (PIO)/ Overseas Citizen of India (OCI) cards]. Additionally, your Company has tied up with attorneys to service the long-term immigration visas/ work permits required by corporates for their projects abroad to move their resources to these countries.

eBusiness continues to be a focus area for your Company as part of comprehensive multichannel strategy. The call-center was also strengthened in 2013 and saw a phenomenal growth in bookings. Our company also strengthened its position in the agents and SME segment that uses the online booking portal to serve the customer better. Our company now has active engagement with current and potential customers through social media and other digital platforms.

#### *Operations in Mauritius*

The recession in European countries which directly impacted the tourist inflow into the country also reduced spending of foreign travelers impacting the retail part of the business. The fall of EURO against USD to 1.35 in the mid of the year affected the overall Foreign Exchange business. Apart from the above, intervention on spread margins by Bank of Mauritius (BOM) impacted the business since Jan 2013.

Thomas Cook Mauritius has consolidated all its operations by rationalization of branches, controls have been beefed up, processes have been strengthened to cater to the future expansion plans of the organization. Mauritius operations consist of 15 branches across the island. We have adopted a systematic approach to training on the area of concern to improve the productivity of staff. The Company has embarked on a major process restructuring and cost control measures.

#### *Operations in Sri Lanka*

Thomas Cook Lanka (Private) Limited has outlets both at the Arrival and Departure terminals at the Bandaranaike International Airport. With political stability continuing in Sri Lanka, Thomas Cook Lanka (Private) Limited intends to further expand its operations.

Thomas Cook Lanka (Private) Limited serves as an investment vehicle for any proposed future investments into Sri Lanka subject to requisite regulatory approvals.

#### **Awards and Accolades**

Thomas Cook (India) Limited has been the recipient of the following highly prestigious awards and accolades in 2013:

- Best Tour Operator at the Lonely Planet Travel Awards 2013
- Favourite Specialist Tour Operator at the Condé Nast Traveller Readers' Travel Awards 2013
- Best Tour Operator - Outbound at the CNBC AWAAZ Travel Awards 2013
- National Tourism Awards 2011-2012; 3 prestigious awards:
  1. Best Inbound Tour Operator in (Category I): Third Prize
  2. Best Tour Operator promoting Niche Segments other than Adventure & MICE

3. Award of Excellence: Best Tourism Promotion Publicity Material (Private Stakeholder) - Joint winner

- Retailer of the Year – Leisure & Holidays by ET NOW 2012
- Centre of Learning has received IATA accreditation as “Top 10 South Asia IATA Authorized Training Centers”, 2013

#### **Directors**

In accordance with Article 131 of the Articles of Association of the Company, Mr. Harsha Raghavan, Mr. Chandran Ratnaswami and Mr. Uday Chander Khanna, retire by rotation and being eligible, offer themselves for re-appointment to the Board.

The above appointments/ re-appointments form part of the Notice of the Thirty- seventh 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/ Notice.

#### **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.

#### **Subsidiary Companies**

Pursuant to the provisions of Section 212 of the Companies Act, 1956, the Ministry of Corporate Affairs vide its circular dated February 8th, 2011, has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. Accordingly, the said documents are not being attached with the Balance Sheet of the Company. A statement containing brief financial details of the Company's Subsidiaries is contained elsewhere in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/ its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/ its subsidiaries at the registered office of the Company and that of the respective subsidiary companies. The Company shall furnish a copy of details of annual accounts of subsidiaries to any member on demand.

Further, your Company acquired 74.85% of shareholding in IKYA Human Capital Solutions Private Limited (now IKYA Human Capital Solutions Limited) on a fully diluted basis. The said acquisition was completed on 14th May, 2013.

#### **Acquisition**

The Board of Directors of the Company, Thomas Cook Insurance Services (India) Limited (“**TCISIL**”) & Sterling Holiday Resorts (India) Limited (“**Sterling**”) have at their meetings held on 7th February, 2014 approved a composite scheme of arrangement and amalgamation pursuant to which there will be: (i) a demerger of the resort and timeshare business from Sterling to TCISIL, and (ii) amalgamation of residual Sterling into the Company. Pursuant to the scheme, (i) 116 equity shares of the Company will be issued to the shareholders of



Sterling for every 100 equity shares held in Sterling in consideration of the demerger of the resort and timeshare business of Sterling from Sterling to TCISIL; and (ii) 4 equity shares of the Company will be issued to the shareholders of Sterling for every 100 equity shares held in Sterling in consideration of the amalgamation of residual Sterling into the Company.

Further, the Company has agreed to subscribe up to 3,60,00,000 equity shares of Thomas Cook Insurance Services (India) Limited, a wholly owned subsidiary of the Company, having face value of ₹ 10 each for an aggregate consideration upto ₹ 7,20,00,00,000 at a premium of INR 190 per share. TCISIL will be using such funds for acquisition of shares of Sterling, including as follows: (i) subscription up to 20,650,000 equity shares of Sterling, (ii) purchase of up to 18,007,677 equity shares of Sterling from certain existing shareholders, and (iii) an open offer for 26% of the diluted share capital of Sterling, in terms of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

In order to partly fund the investment proposed to be made by TCISIL in Sterling, the parent of the Company, being Fairbridge Capital (Mauritius) Limited has agreed to subscribe to compulsorily convertible preference shares to comply with the provisions of the FDI Policy, subject to receipt of applicable approvals and consents. Accordingly, the Company has proposed to create, offer, issue and allot in one or more tranches, on private placement and/or preferential basis, up to 62,50,000 compulsorily convertible preference shares of ₹ 10 each (CCPS) at a price of ₹ 800 each which includes a premium of ₹ 790 per CCPS of the Company, each such CCPS being convertible into 10 equity shares of the Company having face value of ₹ 1 each.

All of the aforesaid transactions are subject to conditions precedent and regulatory approvals, as deemed necessary.

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

Your Company being in the Travel and Tourism industry, its activities do not involve any expenditure on Technology and Research and Development and, therefore, the other particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not required to be submitted.

During the year, the foreign exchange earnings (on a standalone basis) amounted to ₹ 410 million, whereas, the Company has incurred ₹ 83 million as expenditure in foreign currencies towards interest, bank charges, licence fees, professional fees, travelling, subscriptions, etc., as disclosed in Note 32 in the Notes to the accounts.

On a Consolidated basis, the foreign exchange earnings amounted to ₹ 1,807 million, whereas, the Company has incurred ₹ 231 million as expenditure in foreign currencies towards interest, bank charges, licence fees, professional fees, travelling, subscriptions, etc.

#### **Fixed Deposits**

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

#### **Listing of Shares**

Your Company is listed on two Stock Exchanges in India viz. BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai. The Company has paid the Listing Fees to both the Stock Exchanges for the Financial Year 2013-2014.

#### **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.

Special mention needs to be made of the co-operation received from the Employees' Unions of Thomas Cook (India) Limited and Travel Corporation (India) Limited.

#### **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, as amended, 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, 2013, 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 a Practising Company Secretary obtained by 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 even possible.

#### **FOR AND ON BEHALF OF THE BOARD**

**M. K. SHARMA**  
*Chairman*

**MADHAVAN MENON**  
*Managing Director*

Mumbai  
19th February, 2014

# 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, 2013									
Sr. No.	Title Name	Age	Designation	Remuneration	Nature of Duties	Qualification	Total Experience	Date of joining	Last Employment
1	Mr. Alapatt Abraham	42	Head Marketing	6,915,018	Responsible for Marketing, Brand and Corporate Communications, PR/Media Relations and Trade Relationships	B.Com, PGDBA - Marketing	18	15-Oct-12	Future Generali
2	Mr. Dawe Sohrab	48	Senior Vice President - Information Technology	6,138,733	Responsible for IT infrastructure in the Company	B. Com, MHRDM, CSA	26	9-Apr-07	Lavasa Corporation
3	Mr. Desai Rakshit**	38	Executive Director - Foreign Exchange	1,828,732	Overall responsibility for the growth and operations of the Foreign Exchange Business of the Company and is also responsible for marketing function	MBA - International Business, M.Sc. - Economics, PWE	13	25-Nov-08	Thomas Cook Group plc (UK)
4	Mr. Iyer Mahesh	41	Senior Vice President & Head - Foreign Exchange	7,653,452	Overall responsibility for the growth and operations of the Foreign Exchange business of the Company	B.Com, MMS, Executive Programme in Business Management from IIM, Calcutta	21	31-Oct-07	HDFC Bank Ltd.
5	Mr. Kale Rajeev	44	Chief Operating Officer - Leisure Travel (MICE, Domestic, Cruises & Sports Holidays)	9,601,443	Responsible for the growth and development of the Leisure MICE (Conferences), Domestic, and Sports business	B.Com	20	1-May-07	Cox & Kings India Pvt. Ltd.
6	Mr. Kenkare Rambhau R.	48	President & Head - Legal and Company Secretary	11,282,262	Compliance for the Indian Operations and subsidiaries including IOR countries; Secretary - Board, Audit Committee, Share Transfer & Shareholders'/ Investors' M.I.C.A. Grievance Committee, Sub Committee; Ombudsperson: Whistle Blower Policy, Fraud & Theft Reporting Policy; Compliance Officer : Corporate Governance, Prevention of Insider Trading Policy	B. Com, L.L.B, F.C.S, A.C.I.S.(UK), M.L.C.A.	24	1-Dec-98	Blue Dart Express Limited
7	Mr. Kesavan Vijay	39	Senior Vice President - E-Business	7,590,981	Sales strategy and operations for online distribution network (e-business)	Undergraduate	16	3-Oct-11	Akbar Travels
8	Mr. Krishna Mohan H.	44	Vice President - Foreign Exchange	6,016,168	Responsible for the Sales function of the Foreign Exchange business at a pan India level	B. Com, ICWAI	20	1-Feb-96	Interglobe Air Transport
9	Mr. Madhan Amit	36	Chief Operating Officer- IT & E-Services	7,968,085	Growth and development of E-Business and Insurance Business, also responsible for Information Technology Infrastructure and for development of IT systems	B.A. (Eco Hons), M.M.S.	13.5	27-Sep-12	ICICI Lombard General Insurance Company Limited, Mumbai
10	Mr. Mahajan Ambresh**	50	President-Operations	15,953,721	Overall responsibility for Operations, Service Quality and Business Process Improvement, Administration and Risk & Compliance functions of the Company	B.A. (Economics Honors) from Delhi University; MBA (Marketing and Finance) St. Edward's University, Austin, Texas, US	29	15-Nov-12	WNS Global Services (P) Ltd.
11	Mr. Menon Madhavan	58	Managing Director	37,046,427	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	33	2-May-00	Birla Sun Life Asset Management Company (AMC) Ltd.
12	Mr. Nair Suraj	43	Senior Vice President- Strategy & Planning	6,741,900	Responsible for Management of the Service Excellence Centre, Airline Contracting, Credit Collections and maintaining Risk related information for the Corporate Travel business of the Company	B.Sc, PGDBM (Finance), MBA	20	7-Jun-07	American Express
13	Mr. Nandy Debasis	48	President & Chief Financial Officer	12,436,609	Overall responsibility for Finance, Accounting and Taxation functions of the Company and its subsidiaries in India and abroad	B.Com, A.C.A.	25	14-Nov-08	Piramal Healthcare Limited
14	Mr. Pai Madhav**	50	Director - Leisure Travel (Outbound)	9,089,690	Responsible for all India & International Sales, Products, Operations, B.A., Hotel Management Contracting Airlines and Tour Management GIT, FIT, Adhoc & Indulgence for the Leisure Travel (Outbound) business	B.A., Hotel Management	28	1-Sep-09	SOTC Tours & Travels
15	Mr. Purohit Vinayak K.**	58	Executive Director - Finance	2,504,611	Overall responsibility for Finance, Accounting, Taxation and Administration functions of the Company and its Subsidiaries. Also responsible for the Mauritius operations	B.Com., A.C.A.	32	14-May-07	HT Media Limited
16	Mr. Rastogi Indiver	34	Senior Vice President & Head - Global Enterprise Business	6,745,362	Responsible for Client Relationships, Global Enterprise Sales, Travel Consulting, Service Delivery - for the Corporate Travel business pan India	B.A., Master in Logistics and Supply Chain-IMI, Belgium	12	28-Apr-08	American Express
17	Mr. Sethi Vijay**	53	Senior Vice President & Head - Tour Management & Customer Service	1,083,868	Responsible for the Service Quality function in the Leisure Outbound business, as also for Tour Management	B.A., Diploma in Hotel Management	30	1-Mar-11	Asian Heart Institute
18	Mr. Suri Rajesh**	50	Senior Vice President & Head - Visa & Passport Services	601,460	Responsible for the operations and growth of the Visa & Passport Services business of the Company through its subsidiary	PGDM IMI, New Delhi	28	1-Jan-12	Rajesh Suri & Co
19	Mr. Thatte Amod**	42	Head - Financial Services & VPS	2,842,796	Responsible for Operations and Growth of the Financial Services and Visa & BE, MMS Passport Services businesses of the Company, through its subsidiaries	B.Com (Hons), MBA - PG Diploma in Personnel Management & Industrial Relations	20.5	25-Sep-12	Reliance Communications
20	Mr. Williams Adrian	44	Head - Human Resources	6,385,711	Overall responsibility of the Human Resources function in the Company	B.Com (Hons), MBA - PG Diploma in Personnel Management & Industrial Relations	20.5	25-Sep-12	Reliance Communications
21	Mr. Yadav Agnoo**	60	Peon	1,863,402	Responsible for assisting with outdoor and bank relationships work in the Class 8 Dealings function		35	1-Aug-78	None

## 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 ₹ 5,00,000/- per month or more.

## FOR AND ON BEHALF OF THE BOARD

**M. K. SHARMA**  
Chairman

**MADHAVAN MENON**  
Managing Director

Mumbai  
Dated: 19th February, 2014

# Annexure to the Directors' Report

Sr. No.	Particulars	Thomas Cook Employees Stock Option Plan 2007 (ESOP Scheme 2007)					Thomas Cook Save As You Earn Scheme 2010 (SAYE Scheme 2010)	Thomas Cook Employees Stock Option Plan (ESOP 2013)	
		Granted on 25th July 2007	Granted on 10th July 2008	Granted on 20th March 2009	Granted on 27th May 2010	Granted on 17th February 2011	Granted on 5th September 2013	Granted on 14th December 2010	Granted on 5th December 2013
1.	Options Granted and Accepted	1,104,125	1,240,000	2,068,725	991,313	1,397,825	1,054,000	# 1020310	4,202,438
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	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	Face value of the share on that ie. Re. 1 per option
3.	Exercise Price (₹)	61.89	77.62	30.31	52.74	47.57	49.32	50.40	1.00
4.	Options Vested and exercisable	239000	290500	397213	417063	258306	0	0	0
5.	Options Exercised	113540	0	1263352	175474	315896	0	0	0
6.	Total number of Ordinary Shares arising as a result of exercise of Options	113540	0	1263352	175474	315896	0	0	0
7.	Options Lapsed/ Forfeited/ Cancelled (doesn't include options not accepted)	751585	949500	408160	398776	673604	0	543209	0
8.	Variations of terms of Options	The ESOP Scheme 2007 was amended vide Postal Ballot Notice dated 21 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	None	The ESOP Scheme 2007 was amended at the AGM held on 12 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	None	None	None	None
9.	Money realised by exercise of the Options (in ₹ Ps.)	7,026,990.60	N.A.	38,292,199.12	9254498.76	15027172.72	N.A.	N.A.	N.A.
10.	Total number of Options in force (Vested + Unvested)	239,000	290,500	397,213	417,063	408,325	1,054,000	499562	4202438

Notes: # Since the interest percentage rate has increased from 8.25% to 9.25%, the number of options granted and accepted has changed to 1042771.

Other Particulars	Thomas Cook Employees Stock Option Plan 2007 (ESOP Scheme 2007), SAYE Scheme 2010 and Thomas Cook Employees Stock Option Plan 2013 (ESOP 2013)	
11. i) Details of Options granted to senior managerial personnel	Appendix – A	
ii) Any other employee who receives in any One Year of grant of Options amounting to 5% or more of Options granted during that Year	Appendix – B	
iii) Identified employees, who were granted Options, during any One Year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant	None	
12. Diluted Earning Per Share (EPS) calculated in accordance with Accounting Standard 20 issued by ICAI for the year ended 31st December, 2013	₹ 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: Add: Intrinsic Value	461,249,032
iii) The impact of difference on profits and EPS of the Company for the year ended December 31, 2013 had fair value Options had been used for accounting Employee Options	Less: Fair Value	6,633,536
	Adjusted Profits: Reported Basic EPS: Adjusted Basic EPS: Reported Diluted EPS: Adjusted Diluted EPS:	2,238,994 465,643,574 1.96 1.98 1.91 1.88
Other Particulars	Thomas Cook Employees Stock Option Plan 2007 (ESOP Scheme 2007) - Granted on September 5, 2013	Thomas Cook Employees Stock Option Plan (ESOP 2013) - Granted on December 5, 2013
14. Weighted Average exercise price of options granted during the year is less than market price of stock on the grant date and is:	₹ 49.32	₹ 1
15. Weighted Average Fair Values of options granted during the year is:	₹ 32.79	₹ 76.94
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	8.52%- 8.50%	9.21%
2) Expected Life	5.50-6.50 years	14.01 years
3) Expected Volatility based on daily closing Market Price	51.32% - 52.28 %	45.54%
4) Expected Dividend Yield	0.68%	0.46%
5) The price of underlying share in the market at the time of grant	₹ 54.80	₹ 82.30

## Appendix – A

## Details of options granted to and accepted by Senior Managerial Personnel

Sr. No.	Name of Senior Managerial Personnel	Designation	No. of Options granted and accepted under							SAYE 2010 2010	ESOP 2013 2013
			ESOP Scheme 2007								
			2013	2011	2010	2009	2008	2007	2010		
1	Mr. Madhavan Menon	Managing Director	-	-	-	-	250500	205000	16500	1303670	
2	Mr. Vinayak K. Purohit *	Executive Director – Finance	NA	-	-	-	185000	162500	16500	NA	
3	Mrs. Nalini Gupta *	President & Head - Travel Businesses	NA	NA	NA	-	185000	150000	-	NA	
4	Mr. Gautam Sharma *	President & Head – Marketing & Financial Services	NA	NA	NA	NA	NA	108750	-	NA	
5	Mr. Parag Mehta *	President & Head – Foreign Exchange	NA	NA	NA	-	100000	108750	-	NA	
6	Mr. Rakshit Desai *	Executive Director – Foreign Exchange	NA	-	-	-	NA	NA	16500	NA	
7	Mr. Amitabh Pandey *	President & Head – E-Business	NA	150000	174150	116100	86000	63750	-	NA	
8	Dr. D. Prasanth Nair *	President & Head – Human Resources & Financial Services	NA	175000	174150	116100	86000	56750	8250	NA	
9	Mr. R. R. Kenkare	President & Head – Legal & Company Secretary	-	175000	392063	261375	-	-	16500	301230	
10	Mr. Madhav Pai **	Director - Leisure Travel (Outbound)	NA	NA	NA	NA	NA	NA	NA	NA	
11	Mr. Debasis Nandy **	President & Chief Financial Officer	-	NA	NA	NA	NA	NA	NA	278497	
12	Mr. Rajeev Kale§	Chief Operating Officer –MICE,Domestic,Cruises & Sports Holidays	NA	NA	NA	NA	NA	NA	NA	288193	
13	Mr. Amit Madhan§	Chief Operating Officer - I.T & E-Services	NA	NA	NA	NA	NA	NA	NA	243540	
14	Mr. Mahesh Iyer§	Chief Operating Officer - Foreign Exchange	NA	NA	NA	NA	NA	NA	NA	250965	
		TOTAL		500000	740363	493575	892500	855500	74250	2666095	

\* Resigned

\*\* Became part of Senior Managerial Personnel during 2012

§ Became part of Senior Managerial Personnel during 2013

Notes: 1. There were no grants made in 2012 under ESOP Scheme 2007

2. There were no grants made in 2011, 2012 &amp; 2013 under SAYE Scheme 2010

## Appendix – B

## Employees, apart from Senior Managerial Personnel, who received grants of Options amounting to 5% or more of Options granted and accepted during a year under ESOP Scheme 2007 and ESOP 2013

Sr. No.	Name of Employee	Designation	Options granted and accepted in 2013		Options granted and accepted in 2011		Options granted and accepted in 2010		Options granted and accepted in 2009		Options granted and accepted in 2008		Options granted and accepted in 2007	
			Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
1	Mr. Vishal Suri*	Chief Operating Officer – Leisure Travel (Inbound)			175000	12.52%	147825	14.91%	-	-	73000	5.16%	-	-
2	Mr. Anil Srinivasan*	Chief Operating Officer - Visa and Passport Services & Sri Lankan Operations			125000	8.94%	-	-	-	-	-	-	-	-
3	Mr. Madhav Pai **	COO - Leisure Travel (Outbound)			322825	23.09%	-	-	-	-	-	-	-	-
4	Mr. Rajeev Kale	COO - MICE, Domestic, Sports & Cruise Holidays			150000	10.73%	-	-	-	-	-	-	-	-
5	Mr. Debasis Nandy **	Senior Vice President - Finance & Controller			125000	8.94%	75000	7.57%						
6	Mr. Sunit Suri *	Chief Operating Officer – Leisure Travel (Inbound)			-	-	-	-	122850	5.60%	78000	5.52%	-	-
7	Mr. Indiver Rastogi	Senior Vice President & Head - Global Enterprise Business	219376	5.20%										
8	Mr. Prashant Narayan	Senior Vice President & Head - Operations, Leisure Travel (Inbound)	218209	5.20%										
		TOTAL	437585		897825		222825		122850		151000		-	

\* Resigned

\*\* Became part of Senior Managerial Personnel during 2012

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

2. There were no employees who received in 2010, 2011, 2012 &amp; 2013 grants of Options amounting to 5% or more of Options granted during the respective years under SAYE Scheme 2010

## FOR AND ON BEHALF OF THE BOARD

M. K. SHARMA                      MADHAVAN MENON  
Chairman                              Managing Director

Mumbai

Dated: 19th February, 2014



# The Management Discussion and Analysis Report

## TRAVEL AND TOURISM INDUSTRY OVERVIEW

Travel and Tourism industry is an important, even vital, mode of income generator for many countries. Its importance was recognized as an activity essential to the life of nations because of its direct effects on the social, cultural, educational, and economic sectors of national societies and on their international relations. Tourism brings in large amounts of income into a local economy in the form of payment for goods and services needed by tourists, accounting for 30% of the world's trade of services, and 6% of overall exports of goods and services. It also creates opportunities for employment in the service sector of the economy associated with the industry.

The service industries which benefit from tourism include transportation services, such as airlines, cruise ships, and taxicabs; hospitality services, such as accommodations, including hotels and resorts; and entertainment venues, such as amusement parks, casinos, shopping malls, music venues, and theatres. This is in addition to goods bought by tourists, including souvenirs, clothing and other supplies.

Tourism has become a popular global leisure activity. Tourism can be domestic or international, and international tourism has both incoming and outgoing implications on a country's balance of payments. Today, tourism as a major source of income for many countries, affects the economy of both the source and host countries.

Sustainable tourism is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems." World Tourism Organization (UNWTO).

As a result of the late-2000s recession, international arrivals suffered a strong slowdown beginning in June 2008. However, evidence suggests that tourism as a global phenomena shows no signs of substantially abating in the long term. It has been suggested that travel is necessary in order to maintain relationships, as social life is increasingly networked and conducted at a distance. For many travel is being viewed as a necessity rather than a luxury, and this is reflected in tourist numbers recovering and increasing day by day despite recession.

The UNWTO forecasts that international tourism will continue growing at the average annual rate of 4%. With the advent of e-commerce, tourism products have become one of the most traded items on the internet. Tourism products and services have been made available through intermediaries, although tourism providers (hotels, airlines, etc.), including small-scale operators, can sell their services directly. This has put pressure on intermediaries from both on-line and traditional shops.

According to World Travel & Tourism Council (WTTTC) estimates, the international tourism expenditure exceeded the expectations with estimated growth of 4% in 2013, compared with its previous estimate of 3.1%. The growth in international tourism expenditure is partially offset however by weaker growth in domestic tourism expenditure and Travel & Tourism investment, which is expected to grow 2.8% rather than the 3.2% predicted at the start of the year.

It has been suggested there is a strong correlation between tourism expenditure per capita and the degree to which countries play in the global context. Not only as a result of the important economic contribution of the tourism industry, but also as an indicator of the degree of confidence with which global citizens leverage the resources of the globe for the benefit of their local economies. This is why any projections of growth in tourism may serve as an indication of the relative influence that each country will exercise in the future.

The developments in technology and transport infrastructure, such as jumbo jets, low-cost airlines and more accessible airports have made travel more affordable. There is a significant increase in sale of travel products through internet. Some sites have now started to offer dynamic packaging, in which an inclusive price is quoted for a tailor-made package requested by the customer upon impulse.

There have been many setbacks to the industry, such as the terrorist threats to tourist destinations, natural calamities and disasters, continuous political unrest in many countries which hampered the industry operations with a substantial impact on the economies of many countries.

Despite the inherent challenges faced by the industry, the expectations on performance are positive and the industry is poised to grow, outpace the past growth trends and remain a leading generator of revenue and jobs. There has been an up-trend in tourism in the recent past, especially in the middle class and upper middle class traveller segment. International travel for short breaks has become common. Tourists have a wide range of budgets and tastes, and a wide variety of choice. New emerging markets and consumer segments will continue to fuel the Industry's growth trajectory, with e and m-Commerce adding impetus.

## INDIAN TRAVEL, TOURISM AND FOREIGN EXCHANGE INDUSTRY

India with its rich cultural heritage of art and architecture, natural beauty, diversity of religions, culture, food and customs, fascinate budget and luxury travellers alike. Travel and tourism is one of the largest service industry in India. India as tourist destination has been improving its competitiveness and expand its existing tourism products to ensure employment generation and economic growth.

Air transportation sales are forecast to grow dramatically thanks to low air travel penetration. Low-cost carriers are helping to shake up the market. Domestic travel is predicted to reach 1.6 billion trips by 2016 driven by the desire of the rising middle classes to explore their own country. (Source: World Travel Market Global Trends Report 2012)

India's domestic tourism is strong, and leisure and pilgrim tourism are both leading sectors. Rising income is fuelling outbound travel and foreign tourist arrivals in India are forecast to record yearly growth of 8% through 2014. The industry is fragmented and intensely competitive, though not very organized.

Foreign Tourist Arrivals (FTAs): FTAs in India during 2013 (January to June provisional estimates) is 3.31 million with a growth of 2.6%, as compared to the FTAs of 6.58 million during the year 2012 with a growth of 4.3% during the year 2012 over 2011. (Source: Ministry of Tourism, India)

Foreign Exchange Earnings (FEEs) from Tourism: FEEs from tourism in rupee terms during 2013 (January to June provisional estimates) were ₹ 50448 crore with a growth of 15.3%, as compared to the FEEs of ₹ 94487 crore with a growth of 21.8% during the year 2012 over 2011. FEEs in USD terms during (January to June provisional estimate) 2013 were USD 9.2 billion as compared to FEEs of USD 17.7 billion during the year 2012 and USD 16.5 billion during the year 2011 (Source: Ministry of Tourism, India).

A statement giving Foreign Tourist Arrivals in India and Foreign Exchange Earnings from tourism for the last ten years i.e. 2004 to 2013 are given below:

#### Foreign Tourist Arrivals and estimated Foreign Exchange Earnings during the years 2004-2013

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 USD)	Percentage Change Over Previous Year
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	-2.1	54960	8.3	11394	-3.0
2010	5.78	11.8	64889#	20.8#	14193	24.6
2011	6.31	9.2*	77591#	19.6#	16564	16.7#
2012	6.58*	4.3*	94487*	21.8*	17737*	7.1*
2013	6.85	4.1	105836#	12.0#	18133#	2.2#

\* Revised # Advanced Estimates

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

The volatility in Rupee, as witnessed in 2012, continued in 2013 against all major currencies, viz. – 12% vs. USD, 17% vs. EURO and 15% vs. GBP.

Rupee began 2013 on a positive note taking into account the slew of measures introduced by the Reserve Bank of India (RBI) to stem the Rupee's fall during the latter half of 2012. It touched a high of ₹ 52.88 before reversing gears and beginning a phase of sharp depreciation that saw it shed 28% of its value in a period of 3 months. The Rupee recovered after the RBI took a number of steps to help the battered currency and improve investors' sentiments. Sentiments were further boosted after the US Federal Reserve announced in mid-September that it would keep intact its \$85 billion monthly bond-buying programme, known as Quantitative Easing (QE). Rupee managed to erase most of its losses to close the year at ₹ 61.77.

The Euro proved to be quite resilient in 2013 despite fears of a Eurozone break up. Political crisis in Italy, Greece and Portugal added to the gloom in the atmosphere. But with stable governments coming into place, we saw the situation being saved. To prop up the economy, the European Central Bank also cut its interest rates down to an all time low of 0.25% during 2013.

The UK economy was a far better performer than its peers in the developed countries. The unemployment rate saw a rapid fall and the GDP also picked up in 2013. The Bank of England continued with the 375 billion GBP stimulus programme & also cut its interest rates down to a low of 0.5%.

#### SPECIAL GOVERNMENT INITIATIVES

The Government of India has allowed 100 per cent FDI under the automatic route in hotel and tourism sector, according to the consolidated FDI Policy, released by DIPP, Ministry of Commerce and Industry, Government of India. It is also planning to rationalise the taxation charged on hospitality industry and follow the single tax structure across the country.

The Indian Government has introduced several campaigns such as Atithi Devo Bhavah, Colors of India, the Wellness and Incredible India in order to promote Indian hospitality and tourism industry across the

world. It has also set up a Hospitality Development and Promotion Board, which will monitor and facilitate hotel project approvals.

The Ministry of Tourism has been making efforts to develop quality tourism infrastructure at tourist destinations and circuits. It has sanctioned ₹ 4,090.31 crore (US\$ 652.42 million) for tourism projects, which includes projects related to Product/ Infrastructure Development for Destination and Circuits (PIDDC), Human Resource Development (HRD), Fairs and Festivals and Adventure & Rural Tourism for infrastructure augmentation.

In a move to boost the medical tourism and health sector, the Government of India has allowed free medical visas for Maldivian nationals for 90 days. Further, the Ministry of Tourism has announced the launch of the first-ever Incredible India Golf Tourism Summit in New Delhi from October 8–10, 2014, to promote golf tourism in the country.

The Ministry of Tourism, Government of India and the Japan Tourism Agency, Ministry of Land, Infrastructure, Transport and Tourism, Government of Japan have signed a memorandum of understanding (MoU) for strengthening cooperation in the field of tourism. The Memorandum would facilitate travel and tourist visits and further strengthen the tourism partnership between the two countries.

#### Road Ahead

In the near future, the Government of India proposes to explore new tourist destinations in order to serve the rising demand for tourism

and hospitality in India. It is estimated that the hospitality industry of India is likely to attract over US\$ 12 billion of inbound investments in next couple of years.

“Linkage between Ministry of Tourism and Private sector players, mutual co-operation between industry stakeholders, innovation and creative development of new concepts of tourism like-eco-tourism, lifestyle tourism, weekend tourism, farm tourism and medical tourism will take the Tourism industry to new heights as the industry of future”, as per Mr Shivraj V Patil, Governor, Punjab & Administrator, Union Territory (UT), Chandigarh.

Cruise shipping is one of the most dynamic and fastest growing components of the global leisure industry. India with a vast and beautiful coastline, virgin forests and undisturbed idyllic islands can be a fabulous tourist destination for cruise tourists.

**References:** RNCOS Report, Media Reports, Ministry of Tourism, Press Releases, Department of Industrial Policy and Promotion (DIPP)

## TRAVEL AND RELATED SERVICES

### *Leisure Travel (Outbound):*

This year has been a mixed bag for the travel industry in India, considering the devaluation of the rupee against the US dollar, taxation issues and announcements at the policy level. The second most populous country reported the slowest rate of growth since 2002; GDP slipped from 5.0% in 2012 to 4.5% in 2013.

The Indian Rupee (INR) depreciated by ~13% - 15% in 2013 over 2012; additionally with the economic slowdown and inflation (Consumer Price Index) rising from 9.3% in 2012 to 10.9% in 2013 have adversely affected the outbound travel spend of India.

Further, rising fuel costs has resulted in higher airline ticket prices while inflation has resulted in higher operating costs. These factors have together made outbound travel more expensive and travellers have reduced the frequency of outbound travel. Data from respective Tourism Boards, showed an approximate 12% decline in Indians travelling to popular destinations across the world in 2013 over 2012.

Despite these factors affecting our Company's outbound business, the business continues to grow in a challenging 2013.

Leisure Travel has further expanded its distribution network by opening several new stores and appointing new franchisees across the country as well as in overseas market to tap NRI segment.

The Company added 24 new Gold Circle Partners in India, 2 GCPs in Nepal and Sri Lanka and 9 new branches in 2013. Beyond the conventional media channels, the Company extensively undertook roadshows, consumer holiday carnivals and other events to promote the leisure products. Your Company saw commendable tractions from the Pan India 10 city roadshows to reach out to B2B partners, to promote our products and product differentiation, covering 1000+ travel agents. Your Company is slowly moving from the traditional marketing investments in print/TV to digital space targeting the emergent HENRY (High Earners Not Rich Yet) customer segment.

Leisure Travel Outbound continued the concept of launching wide range of products. Your Company expanded its reach by ensuring it has products right from Super Budget, Budget to Premium and Royale category, thus reaching to a larger market segment with wide choices.

Improved products targeting customer segments through value add and customer friendly options for Marathi/ Gujarati/ Jain/ Tamil/ Kannada tours.

Improved products targeting customer segments through value add and customer friendly options for Marathi/ Gujarati/ Jain/ Tamil/ Kannada tours.

In 2013, apart from the regular escorted tours, customised holidays and adhoc groups your Company also introduced the below new concepts:

- **Holiday Pe Holiday Offer:** Your Company was the first to launch Summer 2014 group tours as early as October 2013, via a unique concept of “Holiday Pe Holiday offer”. It offered options to travellers to Europe for a free trip to Far East. This was evidenced to be an impetus to improve customer experience and loyalty.
- **Regional Tours:** Apart from the existing regional tours, your Company introduced Durga Puja Holidays specially for its Bengali clients.
- **University Tours:** For the first time your Company launched university tours under the brand of “Travel and Learn” giving Indian students to visit Universities abroad along with city tours. The new forte has already shown good traction from our student customer base and promises to be a budding avenue.
- **Long weekend Tours:** Keeping in mind the long weekends, your Company introduced tours like Independence day special, F1 tours, etc.
- **Holy Land Tours:** This is one segment which was untapped for years and in 2013 for the first time, we captured this segment which is more about religious tourism and our holy land tours were a big success.
- **Targeting youth and Family:** New concepts such as Homestay / Apartment Stays / Villa Stay Packages / Rail Expeditions / Unique Stay Options were introduced for the first time in 2013 and is proving to be a high growth trajectory.
- **Escorted group departures for 2013 included:** Europe, USA-Canada, Australia-New Zealand, Asia, Africa and the Middle East.
- **New destinations introduced** were South America, Philippines, South America, Korea, Zimbabwe, Tanzania, Jordan.
- **Trade Fairs:** This new business vertical was launched to focus on the business traveller, whether SME, Indian corporates or MNCs, attending Trade Fairs worldwide.

The Company's operations through DMC (Destination Management Company) in Europe, direct contracting with hotels has enabled in pricing and delivering products more competitively and thereby resulting in improved Company performance.

The online portal has developed into a very user friendly and mobile friendly platform for users to explore all our group and individual tour options, pricing and book online with ease. With call centre support, the Company has witnessed burgeoning growth in enquiries and calls for Holidays.

World Travel & Tourism Council (WTTC) predicts the number of Indian outbound travellers to touch 50 million by 2020 with a forecast GDP growth @ 4.7% in 2014. Those optimistic about the growth in

the segment believe that a significant contribution will come from business travellers, adventure travellers and the youth. There is also a growing consensus that emerging destinations will be on the must-visit list of holidaymakers, and that short-haul destinations will also continue to see good demand; in the light of which Thomas Cook is driving and improvising their Leisure offers.

With continuous effort to offer quality leisure experience to a wide range of customers with various prices/product options, increasing focus on FIT customized packages, indulgence, short haul destinations your Company is bullish on continuing a robust growth in 2014. Early 2014 seeing an improvement in India's GDP and easing of inflations will be highly supportive to the Company's growth plans.

#### **Leisure Travel (Inbound):**

Inbound Tourism grew a modest 4% in 2013 which is less than 5% growth in 2012 and 9% in 2011. Foreign exchange earnings in rupee terms registered a growth of 12% in 2013 over 2012 as compared to 22% in 2012 over 2011.

The depreciation of rupee by 12% did make India a more attractive destination, but inbound tourism has not grown to the expectations due to sluggish economic climate in source markets in 2013. Other key reasons for poor growth of the leisure inbound travel business in India are as under:

- Lack of proper infrastructure
- Lack of Language speaking guides, particularly in South India and East India
- Poor maintenance of the tourist touch points such as railway stations, hotels, tourist spots etc.
- Growing concerns over the physical security of the tourists, particularly women and children.

Ministry is trying to ease its visa regime and extension of visa on arrival facility to 40 countries. Currently it is available to 11 countries. During the period of Jan-Dec 2013, total number of visas on arrivals issued were 26% higher than the corresponding period of 2012. We encourage and propose that Ministry must look at the opportunity of introducing e-visa to augment tourism growth. Other measures such as tie-up with the SAARC countries (e.g. Sri Lanka, Nepal etc.), free visa to the tourists to Thailand, Malaysia, Singapore etc. will also help in increasing the inbound tourist arrivals into the country. (Source: Ministry of Tourism website)

For over 50 years, Travel Corporation (India) Ltd. (TCI) has perfected the art of making the entire travel experience memorable. TCI is India's premier Destination Management Company with an impeccable record in all aspects of leisure inbound travel business in India, Sri Lanka, Nepal and Mauritius. Maintaining its position as the "Best Inbound Tour Operator", TCI has further consolidated its presence in the leisure inbound travel industry with offices across 12 cities in India, 7 marketing offices overseas at USA, United Kingdom, Frankfurt, Spain, Japan and Nepal and Representatives in Portugal, Russia, China, Korea, Mexico and Australia.

#### **Corporate Travel:**

The performance of the corporate travel business is very closely linked to the general performance of the global economy. During 2013, the corporate customers continued to implement the ongoing cost

management programmes by further axing the non-essential travel budgets. Surging airfares and depreciating Indian currency were the key reasons for the subdued spending on travel by the corporate customers.

With increased competition from the Online Travel Agents and unorganised players in this segment, the overall business environment is getting tougher by the day. In order to beat the competition and be profitable, your Company commenced settling airline payments for some of the airlines via corporate credit card, which afforded your company higher credit period. Your Company also had a deeper penetration in the offshore ticketing business by increasing the volumes of ticket bookings for the overseas customers for travel from outside India to the country.

While 2014 is looking up, being an election year, corporate customers while not curtailing travel at the beginning of the year, will tread the year cautiously. Travel by low cost carriers is now acceptable by almost all corporate customers, and this segment has witnessed a huge demand and growth. During 2014, two new airlines are expected to commence operations within the country. Your Company continually engages with its key suppliers of the low cost travel on a proactive basis to be ahead of the curve.

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

MICE offer a potential for high revenue earnings with limited resource. This year we have witnessed economic slowdown and heavy fluctuation of foreign exchange (devaluation of rupee), which come up with global increase in all travel components. Over and above intense competition amongst large and small players in this sector and budget constraints of corporate clients have limited the destination options. Despite these challenges, MICE has registered a top line growth by 8% by cementing strong relationships with several respected corporate houses, tapping new markets and serving new clients and focus on domestic business.

#### **New Initiatives:**

Your Company is ready to launch The Coffee table Book which gives a wide range of prospective destination knowledge to its key clients.

MICE had organised a fun field bay for regular clients of Mumbai and their families at Adlabs Imagica in association with Hong-Kong tourism Board. Similarly, the Company did a get together for a key corporate of Bangalore in conjunction with Singapore Tourism Board.

MICE have upgraded the technology and have its own software for more transparency and accuracy in the business.

MICE have identified new destinations in Morocco and South America.

#### **Achievements:**

- Reiterating its reputation as pioneers, MICE Team braved challenges of language, local procedures and approvals, to successfully manage a movement of 1150 top dealers from the Paints industry to Japan.
- Movement of 1000 plus passengers in one shot was handled to Dubai, Japan, Malaysia successfully.
- TCIL MICE was selected to handle the prestigious Havells movement of 650 premier dealers to Norwegian cruise.



- First time ever in the history of Thomas Cook MICE, with increased focus on domestic business, your Company managed to cater to a conference of 2000 dealers of the automobile industry. Further, the Company registered a growth of 19% in overall MICE domestic sales.
- A special exclusive “Ladies Only” incentive tour of 450 was conducted to Malaysia.

#### **Domestic Travel:**

India has huge potential to promote Domestic Tourism. The size of Domestic Tourism market will witness huge increase. In the domestic tourism segment, Religious tourism come in second, followed by leisure tourism.

Depreciation of the rupee has also made domestic travel more affordable than holidaying overseas, especially for travellers having a fixed budget.

The Domestic Travel business is in its budding stages and is poised for high growth in the future. During the year, your Company invested in building a team of experienced professionals and conducting marketing campaigns.

Domestic traveller is increasingly looking at experiential travel in India and our Domestic product teams have created unique itineraries including experiences like undersea walk in the Andamans, malabar cuisine classes in Wayanad, elephant safari at Amber Fort in Jaipur, tiger safaris in Corbett, Kalairipaytu at Munnar and Ayurvedic spa therapy in the Nilgiris on the basis of the demand received for such experiences for 2014. Domestic adventure holidays will continue to garner popularity and grow in 2014 with Indian self-drive vacations dominating this space.

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

TC Visa Services (India) Limited successfully completed its first year of operation. Through this step down subsidiary, the Company handled 1.6 mn transactions in 2013 with a growth of 40% in direct business through direct corporates and walk-in applicants. Apart from catering to direct external customers for their visa and passport needs, TC Visa Services also provides ancillary services such as Attestations, Legalization, Apostille, Translation, Notarization of documents, Foreigners Regional Registration Office (FRRO) registration/ visa extension/ exit permit, procures People of Indian Origin (PIO) / Overseas Citizen of India (OCI) cards. Additionally, your Company has tied up with attorneys to service the long-term immigration visas/ work permits required by corporates for their projects abroad to move their resources to these countries.

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

eBusiness continues to be a focus area for your Company as part of comprehensive multichannel strategy. The call-center was also strengthened in 2013 and saw a phenomenal growth in bookings. During the year, your Company launched a self booking online portal tailored for the Small and Medium Enterprises (SMEs) and individuals. Your Company also strengthened its position in the agents and SME segment that uses the online booking portal to serve the customer better. Your Company now has active engagement with current and potential customers through social media and other digital platforms. Year 2013 saw several new developments on the website:

1. Launch of the new interface to enhance user experience
2. Launch of online booking engine for both international and domestic holiday packages

3. Improved customer journey for foreign exchange and insurance to buy online
4. Social sign-on, etc.

Continuous efforts are put-in to enhance customer experience.

Holidays and Forex would be the key focus area for online along with enablement of mobile commerce.

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

In the context of high growth, increasing customer expectations and a highly competitive environment, talent management has become a critical challenge of the Tourism and Travel Industry. Your Company's foray into Tourism Education with “Centre of Learning”- is hence another innovative and key initiative to develop talent for not merely the organisation, but rather the Industry as a whole. Hence, the primary objective of Centre of Learning is to proactively facilitate talent management and to grow, harness and nurture the skill sets in the Tourism and Travel Industry.

COL serves as a guide and mentor to the travel industry via several forums, industry meets and associated education programs like: Certificate Course in World Tour Management, Domestic Certificate course in ‘My India My Way, IATA – Foundation/ Consultant Course, Travel Professional Program, PGDM in international business, MBA – Tourism (Distance Learning from Pondicherry University).

COL was selected as 2013 Top 10 South Asia IATA Authorized Training Centre (ATC) second time in a row. The criteria used to distinguish were the number of students trained and the students' exam passing rate.

COL partnered with Pondicherry University to offer a MBA degree in Tourism through Distance Learning. COL is the first Industry non-academic partner for the University. The course focuses on upgrading skill sets for a career in the travel & tourism industry. In the inaugural batch, COL enrolled record number of 90 students.

COL conducted in-depth Destination Management training sessions for travel agents on behalf of Swiss Tourism, Egypt Tourism Office and Vienna Tourist office.

#### **FINANCIAL SERVICES**

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

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

The foreign exchange business has two segments:

- Wholesale: Currency buying and selling services to institutions such as banks, full fledged money changers and restricted money changers. Your Company consolidates the foreign currency bank notes at a central place and then physically exports them to banks in other parts of the world in exchange for credit in NOSTRO accounts maintained with them.
- Retail: Foreign exchange services to individuals who either walk-in at Company shops, airport locations, transact online or through our call centre or transact with channel partners of your Company. These services are provided to leisure travellers who are travelling abroad or returning after travel, foreigners travelling to India, students/ film production houses, individuals

who receive money from relatives staying outside India or those who remit monies outside. Apart from this, your Company also services employees of corporate clients who travel on business.

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

Your Company is recognised as the leader in both the retail and wholesale segments of the foreign exchange market. There is no other player of comparable scale in India who straddles the foreign exchange market across both of these segments. Your Company handles 1.6mn transactions annually and is one of the largest exporters of bank notes globally

In foreign exchange retail, your Company differentiates itself through it's:

- Strong distribution network with retail outlets across India (202 locations across 86 cities in India)
- Outlets at relevant and highly visible locations such as international airport terminals (19 outlets across 6 airport terminals in India, Mauritius and Sri Lanka)
- New and innovative channels like internet and call centre
- Established brand image with retail customers
- Ability to offer multiple currencies and an extensive range of services and products for various consumer segments
- Price leadership, leveraging your Company's ability to operate a dealing room with access to market intelligence and NOSTRO accounts, which facilitate enhanced risk management and provide greater operational control
- Established logistics network for physical transfer of notes and security

Your Company's products and services include:

- Wholesale and retail purchase and sale of currency notes (26 currencies)
- Purchase and sale of foreign currency denominated traveller's cheques
- 'Borderless Prepaid Multicurrency Travel Card' – Thomas Cook branded prepaid foreign currency card (in association with MasterCard)
- Incredible India Card – INR denominated Prepaid card for foreign tourists in collaboration with YES Bank & The Ministry of Tourism
- Foreign currency pay orders (eight currencies)
- Outward remittance in 120 currencies
- MoneyGram branded Inward Money transfer (person-to-person money transfer service), Xpress Money branded Inward Money transfer

#### Foreign Exchange Business Performance

The year 2013 saw overall volumes increase by 5.7% despite the uncertainty that surrounded the Rupee for most part of the year.

The year saw appreciable growth of your Company's portfolio of retail products. The strong leisure travel trends for both group and individual travel business and the outreach program with channel

partners helped grow the holiday foreign exchange business by 18%. Despite the weakness in the Rupee which makes studying abroad a more expensive proposition, the student business grew by 3% over last year on account of various targeted digital marketing initiatives taken during the year. This year, the engagement platform with the students was social media including Facebook and Twitter, which led to the growth in awareness of your company's offerings and resurgence in this business. The 'Maintenance of close relatives' category of outward remittance was another product which saw tremendous growth on account of channel activation and awareness creation through marketing, with volume growth upwards of 18%. Retail Encashments saw a growth of 5% during the year.

Corporates remained cautious while spending on travel and foreign exchange. Your Company continued focus on acquisition of new clients and strived to provide un-paralleled customer service along with a suite of products, which led to a moderate increase of 8% in volumes.

Your Company further strengthened its Inward Remittance business both from a penetration perspective as well as from a business growth perspective. According to the latest issue of the World Bank's 'Migration and Development Brief', released on 2nd October, 2013, India is expected to have received USD 71 billion in the year 2013 and to have remained the top recipient of Inward remittances for the sixth consecutive year. Your Company has grown its inward remittance business at a faster rate than this growth in the overall inward remittance market in India and ended the year with over 18,000 agent locations across the country. The volumes in this business have grown at a CAGR of 31% over the last 3 years.

Your Company launched its own Multi Currency Prepaid Travel Card in 2012 in association with MasterCard and Access Prepaid Worldwide and with it became the first non bank institution to be permitted by RBI to do so. The Card known as "Borderless Prepaid" is one of its kind Multi Currency card with the capacity to hold 8 currencies in one single card along with a host of other benefits. The prepaid foreign exchange card market is worth USD 1.6 Billion and this card in now the fastest selling travel card in the Indian market and over 60,000 cards have been sold since its inception till December 2013.

In its continued efforts to offer innovative products and services to consumers, your Company partnered with YES Bank, India's 4th largest Private sector bank, and the Ministry of Tourism, Government of India to offer the 'Incredible India Travel Card'.

The Incredible India Card which is a Prepaid Card is aimed at providing enhanced convenience and peace of mind to foreign tourists whilst travelling in India. The hassle free and secure card eliminates the risks associated with carrying physical currency and it can be used at all ATMs and merchant establishments which accept a MasterCard in the country and can also be used for online transactions on Indian websites thereby offering both convenience and security for travellers to India.

This year, your Company put in significant efforts to continue to be the preferred choice for customers on-the-go and expanded its abilities to serve consumers through various new channels. Your Company became one of the only companies in India and the first Non-Banking entity to have an **Online Forex Store** to offer a simple and easy buying experience to customers for their Foreign Exchange requirements. In

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

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

For the coming year, your Company will continue to focus its efforts on launching innovative payment solutions in the market. Your Company will also continue its efforts to strengthen the retail business by providing innovative products that are targeted at specific customer needs. Your Company will continue to invest in the online model to provide a convenient way of transacting to its customers, along with investment in the offline customer touch-points. Your Company will continue its marketing efforts, specifically on the digital marketing mediums, to reach out to its target customer base effectively.

To keep pace with the changing needs of the customers and to ensure seamless delivery, your Company invested in new technology in 2013. A new system for foreign exchange business was launched in January 2014, which will lead to better response times, improved management reporting and reduction of effort for the employees. The Company will continue to enhance its technological backbone with the objective of customer service and delivery.

Volatility in exchange rate, increasingly stringent compliance requirements, increasing competitive intensity, risk of obsolescence and adverse economic conditions are some key external factors that could impact the business adversely. Also, upward revision of rental costs of the foreign exchange outlets at the Mumbai and Delhi airports and loss of foreign exchange counter contract at Chennai airport resulted in an overall reduction in margins in the retail foreign exchange business. However, your Company grew the Profit Before Taxation of the foreign exchange business by 16% over that of CY2012 by implementing a series of growth initiatives (as discussed above), efficiently managing the cost of operations of the foreign exchange segment and optimising the working capital cycle.

#### **Insurance Business:**

Thomas Cook caters to customers for various different travel requirement(s) viz.

- Leisure Travel
- Foreign Exchange
- Corporate Travel
- Students to study abroad

Since the existing customer transactions are huge, there is enough opportunity to cross sell travel insurance products to these customers.

Your Company continues its focus on Travel Insurance. With the strategy of being a complete travel solution provider, the insurance arm of your Company tries to understand the specific needs of the customers and offers the best product which suit their requirements, which also helps in garnering higher share of customer wallet and building customer loyalty.

In order to focus on evolving needs of the customer, the Company introduced new insurance products. The domestic customer too requires travel insurance coverages such as trip cancellation and delay. To meet their needs, your Company introduced the domestic travel insurance along with the domestic holiday packages being sold.

Your Company is also looking at cross – selling wallet loss cover, trip protection cover and other such opportunities which are not covered by normal travel insurance.

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

#### **FINANCIAL PERFORMANCE**

Your Company has posted profit before tax of ₹ 702.9 million (previous year ₹ 737.9 million) and the profit after tax of ₹ 461.2 million (previous year ₹ 492.1 million).

On a consolidated basis, the profit before tax stood at ₹ 1,022.6 million (previous year ₹ 770.8 million) and the profit after tax & Minority Interest was ₹ 622.2 million (previous year ₹ 504.4 million).

Consequent to the acquisition of IKYA Human Capital Solutions Limited (IKYA), consolidated financial statements for the year ended December 31, 2013 include the consolidated audited financial statements of IKYA for the period May 14, 2013 to December 31, 2013; consequently, consolidated financial statements for the year ended December 31, 2013 are not comparable with previous year.

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

Internal control systems are embedded in all processes across all functions in your Company. These systems are being reviewed regularly and wherever necessary, they are modified or redesigned to ensure better efficiency, effectiveness and improved controls. The application systems for individual businesses are backed by an integrated SAP Accounting System. These integrated systems form part of the overall control environment.

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

Anti Money Laundering policy is regularly reviewed and updated for India, incorporating applicable revisions therein according to the modified guidelines issued by RBI. Anti Money Laundering policy for Mauritius and Sri Lanka is in place and regularly reviewed in line with the local business requirements of the country of Operation.

## RISKS AND CONCERNS

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

## INFORMATION TECHNOLOGY

Technology has been central to the Company's initiatives in enhancing the travel experience for its customers. Your Company has enhanced the technology platform to continuously augment functionalities in all channels including website, call center, branches and mobile and also strengthen delivery capabilities and technology infrastructure.

The Company continues to invest in its IT infrastructure to support various business applications and has made use of various networking service providers for its communication needs. The internet is the primary medium to connect remote users to our business applications with necessary security.

With a view to create a robust technology landscape, the Company undertook a number of new projects during the course of the year. The key ones were:

1. The deployment of a Customer Relationship Management (CRM) application to drive customer centricity across various lines of business
2. Tablet application to sell international holidays; where by not only reducing the cost of printing brochures but also providing virtual tour of various packages to the customer using maps, videos and high quality digital images
3. The web platform was enhanced to provide better customer experience
4. Mobile-channel to leverage the changing consumer behaviour of shifting from PC to mobile.

The technology landscape is undergoing significant changes driven by rapid growth in mobility, cloud computing and big data analytics. The Company will continue to invest in innovations and ensure that its technology systems evolve in line with new trends and deliver value to its customers.

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

## SERVICE QUALITY & CUSTOMER CARE:

Given the importance of Quality and effective Customer Care, your Company had initiated operations of the Service Quality & Customer Care department over six years ago. We follow a well defined process from managing and understanding customer feedback to addressing customer grievances and appreciations, for all our products and services.

During the year 2013, the department worked on the following initiatives:-

**Complaint Management** - Just as every coin has two sides, the organization too received both bouquets and brickbats for its products and services. We take complaints very positively, in the spirit in which our valued customers provide them to us.

Despite the challenges posed by the supplier partners, in regards delay in reconfirmations/release of inventory, the customers were educated on the same, while ensuring that their scheduled travel plans remain unaffected. A dedicated team of customer focussed professionals took all necessary steps towards providing effective service recovery to a very wide variety of pre-tour, on-tour as well as post-tour complaints. Apart from Emails, Letters and calls received directly at Service Quality, emails / letters forwarded by the branch or business and feedback received thru online sites / forums are also addressed by the Service Quality & Customer Care Team.

The expressions of gratitude and positive acknowledgments from the customers, upon amicable resolution to their problems, was a glowing testimony towards the job well done.

**Appreciations Management** - Appreciations and applaud have been received in abundance and substantiate the popularity and liking for the services rendered by the organization. We believe that appreciations from customers play an extremely vital role in boosting the morale of employees, many of whom make every effort and go out of the way to assist clients.

The letters/ emails of appreciations sent to these star performers are included in staff appraisals and we recognise them, as being a crucial component in the career trajectories of our employees.

**Customer Relationship Management tool** - Your Company has a customised software for capturing and managing feedback, which helps outline the process of responding to Customers and recording all service detractors in the defined module. The monthly MIS enables better targeting of recurring issues and providing early detection of low hanging fruits. A restructuring of the Service Quality dashboard was made.

**Feedback collection** - Being a customer centric organization, various options are inbuilt towards collecting customer feedback, viz. On-tour feedback forms which are given to every customer at end of the group tours. Also the service quality & customer care email id is widely published, for quick and easy reference of customers, who can contact and register their feedback towards suitable action.

**Customer Database pool** - In view of the intensifying competition dynamics and to sustain, grow and capture existing customer loyalty, it is vital to have appropriate and accurate customer database. As an ongoing process, the front end staff is equipped with a software



to capture customer contacts. This helps in enriching the customer database and reaching a larger audience, especially to keep them posted on different initiatives and product launches at regular intervals.

For the coming year, as the business grows and we achieve greater heights by becoming market leaders in key businesses, we look at embarking on a “Customer Journey mapping and management” initiative, which involves mapping out the complete customer experience across all touch points between the customer and the organization, in their journey with us.

## HUMAN RESOURCES

### *Human Resources Management:*

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

The world stands at important crossroads. These are challenging times, and to retain a competitive edge, a company must direct individual accomplishment toward organisational objectives. The only sustainable differentiator of organisational success lies in the Vision and Values of a company. 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.

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

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

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

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

The organization continues to focus on Training & Development initiatives at all the levels – Business and skill specific trainings were conducted with the objective of developing work skills and soft skills (behaviour patterns) of employees. We have launched a technology based Learning platform, viz. Learning Management System (LMS).

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

The Human Resources Department is focussed on Technology to improve processes for providing seamless HR services to employees. In the last year, the Annual Performance Appraisal process has been delivered online. We have also implemented an HR online platform viz. “SPARSH” through a third party vendor – M/s Peoplestrong. This will ensure adequate engagement with our employees on a timely basis.

The PRIDE Club which was launched to provide an energetic work environment, continued to provide non work opportunities related to fun and learning – this included having the PRIDE cricket and table tennis tournaments 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 2686 including those employed at Sri Lanka and your Company’s wholly - owned subsidiaries in India and Mauritius.

### *Employee Relations:*

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

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

### *Acquisitions*

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

- Cash flow generating businesses with proven track records across business cycles

- Stable management teams who are aligned with our guiding principles and culture
- Fair and friendly transactions with full support of the existing management teams

In May 2013, your Company acquired a 74.85% stake on a fully diluted basis in IKYA Human Capital Solutions Limited, the third largest temporary staffing company in India employing over 70,000 employees, for a total consideration of ₹ 2,568.20 million. IKYA is run by a seasoned manager and entrepreneur, Ajit Isaac. IKYA offers specialized human resources services including search, recruitment, project based hiring, general and professional staffing, skill development, and facilities management to over 500 leading Indian corporate clients through 32 offices, with 1,400 team members and over 54,000 associates. By virtue of this investment, your Company has broadened its portfolio of service-related businesses with an entry into one of the world's largest human resource markets.

In February 2014, your Company announced the acquisition of a controlling stake of Sterling Holiday Resorts (India) Limited which will be followed by merger with Thomas Cook (India) Limited. Sterling Holiday Resorts is a leading time share vacation ownership company that was founded by R. Subramaniam in 1986. Sterling Holiday Resorts owns and operates 10 resorts (approximately 1,100 rooms with additional 350 more rooms coming on stream by next year) and has an additional 400 rooms under management on long term leases across 9 resorts. Sterling also owns 210 acres of land at the prominent

tourist locations in the country. Of this, Sterling has 10 owned resorts constructed on 60 acres of land and the balance 150 acres is available for development of resorts in the future. Sterling Holiday Resorts has about 79,000 members but only about 25,000 of them are currently actively holidaying with the company. This provides a huge potential to get more members to holiday with the company and sell the additional memberships for which the capex has already been invested.

#### FORWARD LOOKING STATEMENTS

Statements forming part of the Management Discussion and Analysis covered in this report may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include demand and supply conditions, changes in government regulations, exchange rates, tax laws, monsoon, natural hazards, economic developments within the country and other factors.

#### FOR AND ON BEHALF OF THE BOARD

**M. K. SHARMA**  
*Chairman*

**MADHAVAN MENON**  
*Managing Director*

Mumbai,  
Dated: 19th February, 2014

# 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 Fairfax Group, which is:

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

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

### Composition of the Board

The Board consists of eight (8) members with one (1) Executive Director and seven (7) Non-Executive Directors comprising of experts from various fields/professions. The Chairman of the Board is an Independent and 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 is sent to all the Directors 7 days in advance and the detailed agenda follows thereafter. 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 Eleven (11) Board Meetings held during the financial year ended 31st December, 2013, namely on 25th January, 2013, 1st February, 2013 (adjourned meeting held on 5th February, 2013), 19th February, 2013, 12th March, 2013, 25th March, 2013, 13th May, 2013, 30th July, 2013, 5th September, 2013, 24th October, 2013 and 17th December, 2013 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, 2013:

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. Mahendra Kumar Sharma	00327684	I & NED	Chairman	11	Yes	10	2	2	8
2.	Mr. Madhavan Menon	00008542	MD	Managing Director	11	Yes	6	1	-	1
3.	Mr. Ramesh Savoer	00149089	I & NED	Director	7	Yes	2	1	1	3
4.	Mr. Krishnan Ramachandran	00193357	I & NED	Director	9	No	2	1	-	2
5.	Mr. Harsha Raghavan	01761512	NED	Director	11	Yes	3	1	-	2
6.	Mr. Chandran Ratnaswami**	00109215	NED	Director	2	No	2	2	-	-
7.	Mr. Uday Chander Khanna	00079129	I & NED	Director	9	Yes	5	2	4	7
8.	Mrs. Kishori Udeshi @	01344073	I & NED	Director	9	Yes	3	1	-	3

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

# In Indian Companies, excluding Section 25 Companies and Foreign Companies.

## In Audit Committee and Share Transfer & Shareholders'/ Investors' Grievance Committee of Indian public limited companies

\*\* Mr. Ratnaswami participated in 4 Board Meetings through Video Conference.

Mr. Harsha Raghavan, Mr. Chandran Ratnaswami, Mr. Uday Chander Khanna and Mrs. Kishori Udeshi were regularised as Directors w.e.f 6th June, 2013.

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

None of the Directors hold any shares in the Company as on 31st December, 2013 other than Mr. Madhavan Menon and Mr. M.K. Sharma (holding 10,000 and 1,00,000 equity shares respectively)

#### 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. Harsha Raghavan, Mr. Chandran Ratnaswami and Mr. Uday Chander Khanna retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

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

#### 1. Mr. Harsha Raghavan

Mr. Harsha Raghavan is the Managing Director of Fairbridge Capital Private Limited, a Mumbai-based wholly owned investment advisory company of Fairfax Financial Holdings Limited. Fairbridge provides discretionary investment advisory services to all of the insurance and reinsurance subsidiaries of Fairfax. Additionally, Harsha supports Fairfax's global portfolio companies on their growth initiatives in the region.

Harsha has been involved with the Indian private equity industry since 1996 and previously held leadership roles at Candover Investments, Goldman Sachs PIA and Indocean Chase Capital. Harsha has experience leading 18 transactions totalling almost \$1.5 billion over this period. He currently serves on the Boards of Thomas Cook (India) Limited, Thomas Cook Lanka (Private) Limited, Thomas Cook (Mauritius) Holding Company Limited, Thomas Cook (Mauritius) Operations Company Limited, Thomas Cook (Mauritius) Holidays Limited, Thomas Cook (Mauritius) Travel Limited and Ikya Human Capital Solutions Limited, Avon Facility Management Services Limited and Magna Infotech Limited.

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

Mr. Harsha Raghavan joined the Board of Thomas Cook (India) Limited with effect from 22nd August, 2012 and does not hold any shares in the Company. As on 31st December, 2013, his Directorships and Committee Memberships of companies [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)
Thomas Cook (India) Limited	Director	Audit Committee	Member
		Share Transfer & Shareholders' / Investors' Grievance Committee	Member
		Recruitment & Remuneration Committee	Member
		Sub-Committee	Member
Fairbridge Capital Private Limited	Managing Director & Chief Executive Officer	–	–
IKYA Human Capital Solutions Limited	Director	Audit Committee	Member
Avon Facility Management Services Limited	Director	–	–
Magna Infotech Limited	Director	–	–

#### 2. Mr. Chandran Ratnaswami

Mr. Chandran Ratnaswami is the Managing Director of Hamblin Watsa Investment Counsel Limited, a wholly owned investment management company of Fairfax Financial Holdings Limited. Hamblin Watsa provides discretionary investment management to all of the insurance and reinsurance subsidiary companies of Fairfax. Prior to joining Hamblin Watsa, Mr. Ratnaswami was owner/president of an industrial distribution company and a senior executive at a large multinational consumer packaged food company. At Hamblin Watsa, he is responsible for all Fairfax and subsidiary investments in Asia. Mr. Ratnaswami holds a Bachelor's degree in Civil Engineering from I.I.T Madras, India and an MBA from the University of Toronto, Canada.

Mr. Ratnaswami also serves on the Boards of ICICI Lombard General Insurance Company Limited and India Infoline Limited in India, First Capital Insurance Limited in Singapore, Gulf Insurance Corporation in State of Kuwait, Thai Reinsurance Public Company Limited in Thailand, and Zoomermedia Limited and Ridley Inc. in Canada. He is also the Chairman of the Board of Trustees of Lansing United Church in Toronto, Canada.



Mr. Ratnaswami joined the Board of Thomas Cook (India) Limited with effect from 22nd August, 2012 and does not hold any shares in the Company. As on 31st December, 2013, his Directorships and Committee Memberships of Indian companies [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)
Thomas Cook (India) Limited	Director	—	—
India Infoline Limited	Director	—	—
ICICI Lombard General Insurance Company Limited	Director	Investment Committee Board Governance Committee Policy Holders Protection Committee	Chairman Member Member
CEPL Limited	Director	—	—
Fairbridge Capital Private Limited	Director	—	—

### 3. Mr. Uday Chander Khanna

Mr. Khanna is a Chartered Accountant- B Com, FCA. He was the President of the Indo-French Chamber of Commerce & Industry in 2008 & 2009 and the President of the Bombay Chamber of Commerce & Industry in 2012-2013. He is the recipient of “Ordre National du Merite” from the President of the Republic of France for his role in promoting Indo-French trade relations.

Mr. Uday Khanna is currently the non-executive Chairman of Lafarge India Pvt. Ltd. and Bata India Ltd. He also serves on the Boards of Castrol India Ltd., Pfizer Ltd., Coromandel International Ltd. and DSP BlackRock Investment Managers Pvt. Ltd.

Mr. Khanna was Managing Director & CEO - Lafarge India from July 1, 2005 to July 2011. He joined the Lafarge Group in Paris on 1st June 2003 as Senior Vice President for Group Strategy, after a long experience of almost 30 years with Hindustan Lever/Unilever in a variety of financial, commercial and general management roles both nationally and internationally.

His last position before joining Lafarge, was Senior Vice President Finance, Unilever - Asia, based in Singapore. He has earlier been on the Board of Hindustan Unilever as Director –Exports after having served as Financial Controller and Treasurer of the company. He has also worked as Vice Chairman of Lever Brothers in Nigeria and General Auditor for Unilever-North America based in the USA.

Mr. Khanna joined the Board of Thomas Cook (India) Limited with effect from 29th October, 2012 and does not hold any shares in the Company. As on 31st December, 2013, his Directorships and Committee Memberships of companies [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)
Lafarge India Private Limited	Chairman	—	—
Bata India Limited	Chairman	Audit Committee Nomination, Governance & Compensation Committee Shareholders' / Investors' Grievance Committee	Member Member Chairman
Castrol India Limited	Director	Audit Committee	Chairman
Pfizer Limited	Director	Audit Committee	Member
Coromandel International Limited	Director	Audit Committee	Chairman
Thomas Cook (India) Limited	Director	Audit Committee Share Transfer & Shareholders' / Investors' Grievance Committee	Chairman* Member
DSP BlackRock Investment Managers Private Limited	Director	—	—
The Anglo Scottish Education Society	Director	—	—
Bombay Chamber of Commerce and Industry	Director	—	—
Indo-French Chambers of Commerce and Industry	Director	—	—

\* Chairman w.e.f. 25th January, 2013

### 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 six (6) Non-Executive Directors of whom five (5) are Independent as on 31st December, 2013.

The Audit Committee also invites at its meetings, senior executives/ management including the person in charge of the Business Process Improvement & Audit function of the Company. The representatives of the auditors are also invited to the meetings. The President & Head – Legal & Company Secretary acts as the Secretary to the Committee and the President & Chief Financial Officer is a permanent invitee to the Committee meetings.

#### Terms of Reference

The Audit Committee, *inter alia*, reviews, approves as the case may be 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, 2013:

The Committee met four (4) times during the year under review. The said meetings were held on 19th February, 2013, 13th May, 2013, 30th July, 2013, and 24th October, 2013 respectively.

Sr. No.	Name of Director	Designation	Category *	No. of meetings attended
1.	Mr. Uday Khanna #	Chairman	I & NED	4
2.	Mr. Ramesh Savoer	Member	I & NED	3
3.	Mr. Mahendra Kumar Sharma	Member	I & NED	4
4.	Mr. Harsha Raghavan	Member	NED	4
5.	Mr. Krishnan Ramachandran	Member	I & NED	4
6.	Mrs. Kishori Udeshi	Member	I & NED	4

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

# Mr. Khanna was inducted w.e.f. 29th October, 2012 and is presently, the Chairman of the Audit Committee w.e.f. 25th January, 2013.

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

The Recruitment & 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, 2013 comprises of four (4) Non - Executive Directors out of which three (3) are Independent.

#### Terms of Reference

The Committee has the mandate to consider Human Resource Policies pertaining to the recruitment and selection of Directors (Executive & Non-Executive) 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 & Performance Criteria

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

- Compensation is an important element to retain talent.
- Compensation will be competitive and would factor in the market compensation levels.
- There will be a variable component in the total Compensation, and that will be linked to the individual, business and organization performance.
- Compensation will be transparent, fair and simple to administer.
- Compensation will be fully Legal and Tax compliant, as per the relevant laws in place.
- 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 Non-Executive Directors is limited to a fixed percentage of profits per year as recommended by the Recruitment & Remuneration Committee, the aggregate of which is within the limit of 1% of the net profits of the Company for the year calculated as per the provisions of the Companies Act 1956, as approved by the Board and 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 & Shareholders' / Investors' Grievance Committee and Recruitment & Remuneration Committee constituted by the Board.

#### Composition and attendance during the year ended 31st December, 2013:

The Committee met three (3) times during the year under review. The meetings were held on 19th February, 2013, 13th May, 2013 and 5th September, 2013 respectively.

Sr. No.	Name of the Director	Designation	Category *	No. of meetings attended
1.	Mr. Ramesh Savor #	Chairman	I & NED	3
2.	Mr. Krishnan Ramachandran	Member	I & NED	3
3.	Mr. M. K. Sharma	Member	I & NED	3
4.	Mr. Harsha Raghavan	Member	NED	3

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

# Mr. Savor was appointed as a Chairman of the Committee w.e.f 19th February, 2013.

#### Details of Remuneration to the Directors for the financial year ended 31st December, 2013

##### Executive Directors

Name of Director	Basic Salary (₹)	Benefits/ Allowances (₹)	Bonus/ Commission (₹)	Sitting Fees (₹)	Pension (₹)	Total (₹)	Stock Option granted & accepted during the year
Mr. Madhavan Menon	91,89,780	1,36,81,862	1,28,96,314	Nil	12,78,471	3,70,46,427	1303670
<b>Sub-Total (a)</b>	<b>91,89,780</b>	<b>1,36,81,862</b>	<b>1,28,96,314</b>	<b>Nil</b>	<b>12,78,471</b>	<b>3,70,46,427</b>	<b>1303670</b>

##### Non-Executive Directors

Name of Director	Basic Salary (₹)	Benefits/ Allowances (₹)	Bonus/ Commission (₹)	Sitting Fees (₹)	Pension (₹)	Total (₹)	Stock Options granted & accepted during the year
Mr. Ramesh Savor	–	–	15,00,000	2,30,000	–	17,30,000	Nil
Mr. Mahendra Kumar Sharma	–	–	15,00,000	3,60,000	–	18,60,000	Nil

Name of Director	Basic Salary (₹)	Benefits/ Allowances (₹)	Bonus/ Commission (₹)	Sitting Fees (₹)	Pension (₹)	Total (₹)	Stock Options granted & accepted during the year
Mr. Krishnan Ramachandran	–	–	15,00,000	2,90,000	–	17,90,000	Nil
Mr. Uday Chander Khanna	–	–	15,00,000	2,80,000	–	17,80,000	Nil
Mr. Harsha Raghavan	–	–	–	–	–	–	Nil
Mr. Chandran Ratnaswami	–	–	–	–	–	–	Nil
Mrs. Kishori Udeshi	–	–	15,00,000	2,60,000	–	17,60,000	Nil
Sub – Total (b)	–	–	75,00,000	14,20,000	–	89,20,000	Nil
Total (₹) (a+b)	91,89,780	1,36,81,862	2,03,96,314	14,20,000	12,78,471	4,59,66,427	Nil

- 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, 2013, except Mr. Madhavan Menon and Mr. M. K. Sharma (holding 10000 equity shares and 100000 equity shares respectively)
- Apart from the above, there are no other pecuniary relationships of 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, 2013:**

Name of Director	Salary	
	Fixed (₹)	Performance Linked Incentives (₹)
Mr. Madhavan Menon	2,41,50,113	1,28,96,314
<b>Total</b>	<b>2,41,50,113</b>	<b>1,28,96,314</b>

**Details of Service Contracts, Notice Period, etc. of all the Directors for the financial year ended 31st December, 2013**

Sr. No.	Name of Director	Contract Period (Tenure)	Service Contract	Notice Period	Severance fees, if any
1	Mr. Madhavan Menon	1st March, 2012 to 28th February, 2015	Yes	12 months	As decided by the management
2	Non-Executive Directors	None. The Non-Executive Directors liable to retire by rotation, get re-appointed as per the provisions of Articles of Association of the Company and the Companies Act, 1956	No	None	None

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

Note: None of the Non-Executive Directors were issued/ granted employee stock options under the Thomas Cook Employee Stock Option Plan 2007 (ESOP Scheme 2007) or the Thomas Cook Save As You Earn Scheme 2010 (SAYE Scheme 2010) or the Thomas Cook Employees Stock Option Plan (ESOP 2013) as on 31st December, 2013.

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

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

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



**(iii) 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, 2013 comprises of Four (4) Directors, of whom Three (3) are Non-Executive Directors and one (1) is Executive Director, the Chairman being a Non-Executive Director.

Securities & Exchange Board of India (SEBI) vide its circular dated July 05, 2012, amended the share transfer process for listed companies according to which, the share transfers are approved fortnightly by President & Head – Legal & Company Secretary and are noted in the subsequent meeting(s) of the Share Transfer & Shareholders' / Investors' Grievance Committee.

**Composition of the Committee and attendance during the financial year ended 31st December, 2013:**

Pursuant to Clause 49(IV) of the Listing Agreement, the Committee met Three (3) times during the year i.e. on 5th February, 2013, 13th May, 2013 and 17th December, 2013, respectively to approve matters related to Shares, etc.

Sr. No.	Name of the Director	Designation	Category *	No. of meetings attended
1.	Mr. Mahendra Kumar Sharma #	Chairman	I & NED	3
2.	Mr. Madhavan Menon	Member	MD	2
3.	Mr. Uday Chander Khanna ^	Member	I & NED	2
4.	Mr. Harsha Raghavan	Member	NED	3

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

# Mr. Sharma was appointed as a Chairman of the Committee w.e.f 5th February, 2013.

^ Inducted w.e.f 5th February, 2013.

**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 as at 31.12.2013:

**I. Correspondence Construed as Complaints**

Sr. No.	Nature of Complaint/ Query	Total Recd.	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	4	3	0	1	0	0
(3)	Reply sent giving warrant details (Reconciliation in process)	1	1	0	0	0	0

**II. Other Correspondence**

Sr. No.	Nature of Complaint/ Query	Total Recd.	Total Replied	Pending Queries (Days)			
				1-7	8-15	16-22	> 22
(1)	Non Receipt / Requests of Interest/ Dividend warrants	286	285	1	0	0	0
	(A) Warrant already paid	0	0	0	0	0	0
	(B) Requests pertaining to outdated, duplicate warrants and changes on live warrants	286	285	1	0	0	0
	(C) Misc. queries in connection with payments	0	0	0	0	0	0
(2)	Transfer/Dematerialisation of securities	0	0	0	0	0	0
(3)	Name correction	2	2	0	0	0	0
(4)	Change of address requests	9	9	0	0	0	0
(5)	ECS/ Mandate requests	11	11	0	0	0	0

Sr. No.	Nature of Complaint/ Query	Total Recd.	Total Replied	Pending Queries (Days)			
(6)	Loss of securities	7	7	0	0	0	0
(7)	Split/ Consolidation/Renewal/ Duplicate issue of securities	2	2	0	0	0	0
(8)	Nomination requests	0	0	0	0	0	0
(9)	Tax / exemption form / pan related	0	0	0	0	0	0
(10)	Transmission of Securities	7	7	0	0	0	0
(11)	Exchange/ Sub-division of old shares	4	4	0	0	0	0
(12)	Dividend/ interest queries	56	56	0	0	0	0
(13)	Document registration	5	5	0	0	0	0
(14)	Bonus issue	0	0	0	0	0	0
(15)	Redemption	0	0	0	0	0	0
(16)	Others (Miscellaneous)	47	47	0	0	0	0
	<b>Total (I +II)</b>	<b>441</b>	<b>439</b>	<b>1</b>	<b>1</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, 2013, comprises of two (2) Directors of which one (1) is Executive Director and one (1) is Non – Executive Director.

**Composition and Attendance**

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

Sr. No.	Name of the Director	Designation	Category *	No. of meetings attended
1.	Mr. Madhavan Menon	Chairman	MD	8
2.	Mr. Harsha Raghavan	Member	NED	8

\*MD – Managing Director NED – Non –Executive Director

**(V) Institutional Placement Programme Committee (IPP Committee):**

The Board of Directors constituted Institutional Placement Programme Committee (IPP Committee) on 5th February, 2013, comprising of 2 Non Executive Director's and 1 Executive Director for issuance and allotment of equity shares through Institutional Placement Programme under chapter VIII A of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009. The Committee met one (1) time during the year.

**4. Management Committees:****(i) Executive Committee (EXECOM):**

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

**(ii) Risk Committee:**

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

**(iii) Banking Committee:**

A Banking Committee consisting of Managing Director, President & Head – Legal & Company Secretary and President & Chief Financial Officer was formed on 29th October, 2012 to cater to the daily banking requirements of the company viz. opening of bank accounts, closing of bank accounts, addition and deletion of signatories in the bank accounts. The Committee meets as and when required.

**(iv) Debenture Committee:**

The Debenture Committee which was constituted on 30th November, 2012 for issuance and allotment of the Non-Convertible Debentures. The Committee met 3 (Three) times during the year i.e. on 18th March, 2013, 10th April, 2013 and 15th April, 2013.

**5. Other Qualitative Information:****(i) Contribution to Society:**

In the Year 2013, “Thomas Cook Cares” – the Corporate Social Responsibility initiative of the Company decided to focus on projects associated with education of the girl child and empowerment of women.

**1. Two major projects in the field of education of the girl child were undertaken :**

- a. Thomas Cook Cares tied up with Muktangan, an educational initiative set up by an educationist in partnership with the Paragon Charitable Trust and Municipal Corporation of Greater Mumbai. Muktangan has pioneered a community based model of quality education. Through their 7 English medium schools, they offer high quality, inclusive, child centred education to more than 2600 children from marginalised communities. They train as teachers, women from the same communities to teach these children.

Thomas Cook Cares has supported Muktangan by sponsoring the cost of education of 20 girl students in the Prabhadevi Municipal School at Prabhadevi, Mumbai. These girls will be educated through Thomas Cook Cares all the way from Class 5 in 2013-14 to Class 10 in 2018-19. By doing so, Thomas Cook Cares is directly impacting the lives of these girl students and equipping them with skills for a better future.

The Company donated additional funds to the Muktangan Schools by participating in the Mumbai Marathon and having Muktangan as its “social support partner”.

- b. Thomas Cook Cares tied up with Masoom, an NGO which partners with “night schools” to facilitate the “Night School Transformation Programme”. Masoom’s vision is to support youth “learn while they earn”. Masoom currently works with 30 night schools in Mumbai.

Thomas Cook Cares has supported Masoom by sponsoring the cost of vocational education of 20 girls of a night school in Chembur, Mumbai, from Class 8 in 2013-14 to Class 12 in 2017-18.

Through this intervention the girl students will get the much needed support to pursue their education. The scholarship programme will also provide them with access to career guidance and employability skills training (English conversation and Computer literacy) which will lay a firm foundation for their future.

**2. Other activities supported by Thomas Cook Cares :**

- a. Sponsorship of an Art Programme during the Diwali Holidays – at a Vipula Kadri Trust run school in Bandra, Mumbai.
- b. Support to Mukta Shala , a village school in Mahabaleshwar – in the form of books.
- c. Setting up a “masala” manufacturing unit at Sa Ni Sa – a tribal development outfit in Khopoli, Maharashtra. As was informed to the members of the Company in the last annual report, the Company purchases all its spices and masalas through this outfit for preparing meals for its Leisure Outbound tourist groups at various destinations across the globe.

**(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, Corporate Governance 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 where 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 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.
- (h) Guidelines on Corporate Governance which would act as a formal code / written guideline(s) in addition to the Listing Agreement, The Companies Act and other applicable laws / requirements.

#### 6. Subsidiary Companies:

During the year, the Company had invested in IKYA Human Capital Solutions Private Limited (IKYA) now IKYA Human Capital Solutions Limited, having its registered office at Bangalore by acquiring 74.85% of the share capital of IKYA on a fully diluted basis. Since IKYA is a material non-listed Indian subsidiary company of Thomas Cook (India) Limited for the year ended 31st December, 2013, Mr. M K Sharma, Independent Director of the Company was appointed as a Director of IKYA with effect from 29th July, 2013.

The Company monitors the performance of all its subsidiaries, inter alia, by the following means:

- The financial statements, in particular, the investments made by the unlisted Indian subsidiary 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
Y. B. Chavan Auditorium Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	5th May, 2011	3.30 p.m.
Y. B. Chavan Auditorium Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	15th June, 2012	3.30 p.m.
Y. B. Chavan Auditorium Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	6th June, 2013	3.30 p.m.

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

1. 34th AGM held on 5th May 2011: Reappointment of Mr. Rakshit Desai, Executive Director – Travel Services.
2. 35th AGM held on 15th June, 2012: Re-appointment of Mr. Rakshit Desai, Executive Director – Foreign Exchange; Re-appointment of Mr. Madhavan Menon, Managing Director; Revision in terms of appointment of Mr. Vinayak K. Purohit, Executive Director – Finance.
3. 36th AGM held on 6th June, 2013: None.

#### Special resolutions passed at Extraordinary General Meetings (EGM)

Extraordinary General Meeting of the Company was held on 12th March, 2013 in which following Special Resolutions were passed:

1. Special Resolution: Authority for making investments/ advancing loans/ giving guarantees notwithstanding the limits prescribed under Section 372A of the Companies Act, 1956.
2. Special Resolution: Authority for issuance of Equity Shares by way of an Institutional Placement Programme under Chapter VIII-A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

#### Resolutions put through Postal Ballot during the last year and details of voting pattern:

For the financial year ended 31st December, 2013, the following special resolutions were passed by the Company's Shareholders through Postal Ballot:

Postal Ballot Notice dated 5th September, 2013 in respect of the following matters:

1. Special Resolution: For approval of Thomas Cook Employees Stock Option Plan 2013 ("ESOP 2013") and Issue of Employee Stock Options under the ESOP 2013 to the employees of Thomas Cook (India) Limited.



2. Special Resolution: For approval of Thomas Cook Employees Stock Option Plan 2013 (“ESOP 2013”) and Issue of Employee Stock Options under the ESOP 2013 to the employees of subsidiaries of Thomas Cook (India) Limited.
3. Special Resolution: For authorising the Board/Committee of Directors for lease, sub-lease, sale, transfer, conveyance, assignment or otherwise disposal of the Company’s immovable property/ies located at Mumbai.
4. Special Resolution: For approval of alteration in the Articles of Association of the Company.

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 (passed through physical as well as e-voting) was declared on 25th October, 2013.

Particulars	Special Resolution for approval of Thomas Cook Employees Stock Option Plan 2013 (“ESOP 2013”) and Issue of Employee Stock Options under the ESOP 2013 to the employees of Thomas Cook (India) Limited.			Special Resolution for approval of Thomas Cook Employees Stock Option Plan 2013 (“ESOP 2013”) and Issue of Employee Stock Options under the ESOP 2013 to the employees of subsidiaries of Thomas Cook (India) Limited.		
	No. of ballots	No. of shares	Percent	No. of ballots	No. of shares	Percent
Total Received	806	187224040		806	187224064	
Less: Invalid	128	145172		147	163236	
Valid	678	187078868		659	187060828	
- Assent	596	186716381	99.81	568	186694492	99.80
- Dissent	82	362487	0.19	91	366336	0.20

Particulars	Special Resolution for authorising the Board/ Committee of Directors for lease, sub-lease, sale, transfer, conveyance, assignment or otherwise disposal of the Company’s immovable property/ies located at Mumbai.			Special Resolution for approval of alteration in the Articles of Association of the Company.		
	No. of ballots	No. of shares	Percent	No. of ballots	No. of shares	Percent
Total Received	806	187224042		806	187224057	
Less: Invalid	147	163552		153	165427	
Valid	659	187060490		653	187058630	
- Assent	583	187010958	99.97	598	187029385	99.98
- Dissent	76	49532	0.03	55	29245	0.02

#### 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 the Stock Exchanges, SEBI or any other statutory authority(ies) on any matter related to capital markets during the last three years and no penalties, strictures have been imposed against it by such authorities during such period.
- iii) The Company’s accounting policies are in line with generally accepted practices in India and these policies have been consistently adopted & applied and there is no change in these policies during the 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 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.
- vi) The Company has fully complied with mandatory requirements as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges and has also adopted the following Non-Mandatory requirements as prescribed in Annexure I-D to the Clause 49 of the Listing Agreements:
  - 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.

- c) Whistleblower Policy: The Company has established a Whistleblower Policy for employees details of which have been given earlier in this report.
- vii) Pursuant to Clause 5A of the Listing Agreement, the Company had already sent 3 (three) reminder letters to those shareholders whose shares are remaining unclaimed and lying with the Company/ Registrars and Share Transfer Agents. Thereafter, 170417 equity shares lying unclaimed/ undelivered were transferred to “Thomas Cook - Unclaimed Suspense Account” as required under the Listing Agreement. The Company has not received any request to claim these shares as on 31st December, 2013.

In terms of Clause 5A of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in demat form and/or physical form, respectively:

Particulars	Demat		Physical	
	Number of Shareholders	Number of equity shares	Number of Shareholders (phase-wise transfers)	Number of equity shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on January 1, 2013	-	-	102	170417
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-	-	-
Number of shareholders to whom shares were transferred from the suspense account during the year	-	-	-	-
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on December 31, 2013	-	-	102	170417

The voting rights on the shares outstanding in the suspense account as on December 31, 2013 shall remain frozen till the rightful owner of such shares claims the shares.

#### 9. Means of communication:

- The Unaudited Quarterly Financial Results of the Company to be published in the proforma prescribed by the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) are approved and taken on record by the Board of Directors of the Company within 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 sixty days of the end of the quarter. The approved results are forthwith sent to BSE & NSE as prescribed in the Listing Agreement. Further, the results in the prescribed proforma alongwith the detailed press release is published within 48 hours in the media ensuring wider publicity. The audited annual results are published within the stipulated period of sixty days from the close of the financial year as required by the Listing Agreement with the Stock Exchanges.
- Quarterly results are published in English and in Marathi language in various newspapers. The Audited Financial Results of the Company are published in Free Press Journal (English) & Navshakti (Marathi).
- Quarterly results have also been hosted on the Company's website [www.thomascook.in](http://www.thomascook.in).
- As per requirements of Clause 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.corpfiling.co.in](http://www.corpfiling.co.in) in the prescribed manner. However, since the Company is not mandatorily required to provide the same to this special website, no information was provided 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.

10. The Management Discussion and Analysis Report forms part of the Directors' Report and is attached.

#### 11. General Shareholder information:

Annual General Meeting	: 37th Annual General Meeting
Date	: Friday, 30th May, 2014
Time	: 3.30 p.m.
Venue	: Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021
Financial Year	: 1st January, 2013 to 31st December, 2013
Book Closure	: Friday, 23rd May, 2014 to Friday, 30th May, 2014 (both days inclusive)
Dividend payment date	: Friday, 13th June, 2014

## Listing on Stock Exchanges

A. Equity Shares of ₹ 1/- each	: BSE 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
Stock Code	: BSE 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
ISIN	: INE332A01027
B. Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each	: BSE 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
Stock Code	: BSE Limited Securities in - Electronic Form No. 700119 Scrip Id – THOMASPSB National Stock Exchange of India Limited Symbol – THOMASCOOK Series – P2 Scrip Name – THOMASCOOK
ISIN	: INE332A03015
C. Class 'C' 0.001% Cumulative Convertible/ Redeemable Preference Shares of ₹ 10/- each	: BSE 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

**Stock Code** : BSE Limited  
 Securities in - Electronic Form No. 700120  
 Scrip Id – THOMASPSC  
 National Stock Exchange of India Limited  
 Symbol – THOMASCOOK  
 Series – P3  
 Scrip Name – THOMASCOOK

**ISIN** : INE332A03023

**D. 10.52% Unsecured Redeemable Non-Convertible Debentures ('NCDs') of ₹ 10 lakh each** : BSE 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

**Stock Code** : BSE Limited  
 Scrip Id – 1052TCIL18  
 Scrip Code - 949099  
 National Stock Exchange of India Limited  
 Symbol – THC10.52  
 Stock Name - THC10.52NTCOTX42013T0

**ISIN** : INE332A08014  
**Corporate Identification Number (CIN)** : L63040MH1978PLC020717

The listing fee for the period 1st April, 2013 to 31st March, 2014 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 (Equity)** : High, Low and Volume (in equity shares) during each month for the financial year ended on 31st December, 2013

**BSE Limited (BSE):**

Sr. No.	Month	High (₹)	Low (₹)	Volume (Equity Shares)
1	January 2013	62.65	55.00	473739
2	February 2013	58.10	50.25	269218
3	March 2013	53.20	47.55	411685
4	April 2013	51.50	49.00	142232
5	May 2013	65.90	50.7	1812153
6	June 2013	59.30	53.00	266416
7	July 2013	58.50	53.5	223032
8	August 2013	58.00	48.15	169103
9	September 2013	62.30	53.00	186643
10	October 2013	81.50	56.00	2052756
11	November 2013	82.80	67.8	901105
12	December 2013	91.60	77.4	1766288



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

Sr. No.	Month	High (₹)	Low (₹)	Volume (Equity Shares)
1	January 2013	62.5	54.85	1053627
2	February 2013	58.45	50.25	1430800
3	March 2013	53.5	47.55	1040348
4	April 2013	51.8	49.05	397622
5	May 2013	65.85	51.00	4207605
6	June 2013	59.00	52.6	503846
7	July 2013	58.75	52.35	769896
8	August 2013	57.25	47.7	609890
9	September 2013	62.2	53.5	812783
10	October 2013	81.7	55.05	5316190
11	November 2013	82.8	68.5	2478830
12	December 2013	91.5	77.5	5612994

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

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

Particulars of Issue of Capital	Date of allotment/ resolution	No. of shares	Face Value (in ₹)	Total Value (in ₹)	Cumulative Paid-up Capital (in ₹)
Allotments pursuant to ESOP Scheme 2007	18th January, 2010	100000	1	1,00,000	211,546,569
	16th April, 2010	95159	1	95,159	211,641,728
	16th June, 2010	35832	1	35,832	211,677,560
	30th July, 2010	59646	1	59,646	211,737,206
	28th September, 2010	29996	1	29,996	211,767,202
	22nd October, 2010	37497	1	37,497	211,804,699
	14th December, 2010	3000	1	3,000	211,807,699
	6th February, 2011	2500	1	2,500	211,810,199
	17th February, 2011	6600	1	6,600	211,816,799
	26th April, 2011	60834	1	60,834	211,877,633
	29th June, 2011	42830	1	42,830	211,920,463
	22nd July, 2011	10000	1	10,000	211,930,463
	9th September, 2011	2500	1	2,500	211,932,963
	30th September, 2011	12500	1	12,500	211,945,463
	21st October, 2011	6465	1	6,465	211,951,928
	18th November, 2011	55434	1	55,434	212,007,362
	5th April, 2012	98540	1	98,540	212,105,902
	27th April, 2012	715318	1	715,318	212,821,220
29th May, 2012	17260	1	17,260	212,838,480	
5th July, 2012	320214	1	320,214	213,158,694	
Allotment pursuant to IPP under Chapter VIII-A of SEBI (ICDR) Regulations, 2009	7th May, 2013	34379606	1	34379606	247,680,897
Allotments pursuant to ESOP Scheme 2007	24th July, 2013	50000	1	50000	213,208,694
	8th Oct, 2013	57597	1	57597	213,266,291
	24th Oct, 2013	35000	1	35000	213,301,291

**Preference share capital history of the 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

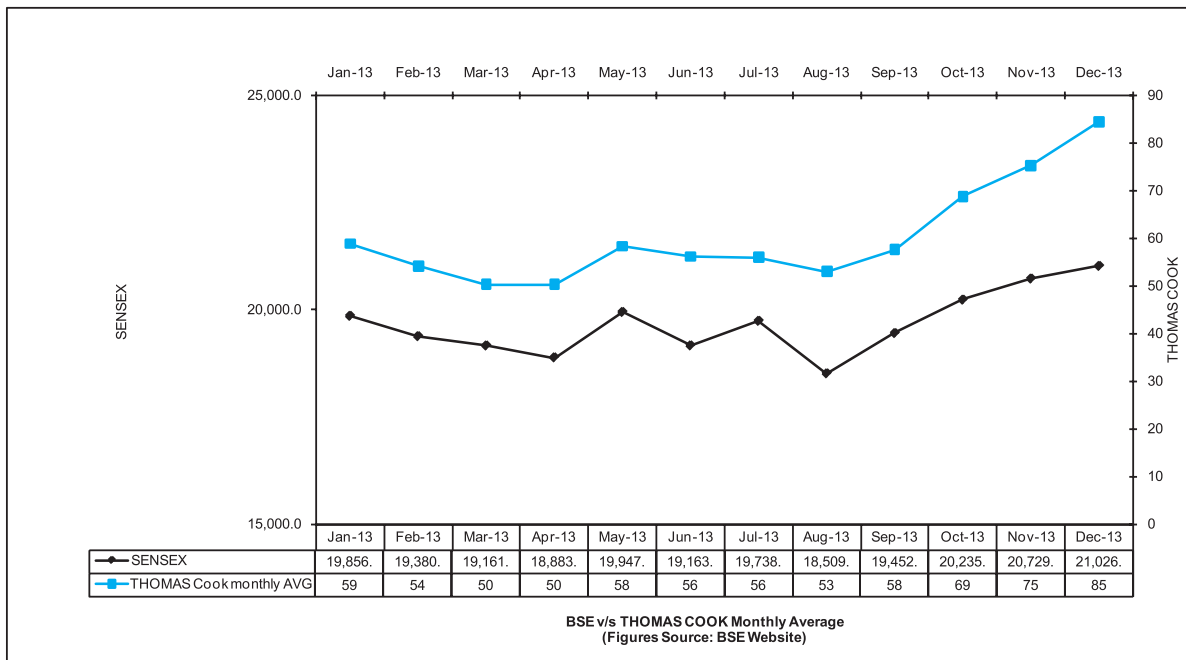
\*As per the scheme of amalgamation, 103,284,000 Class 'A' 4.65% Cumulative Non – Convertible Redeemable Preference Shares of ₹ 10/- each amounting to ₹ 1,032,840,000 were allotted on February 7, 2007 and were redeemed on January 30, 2008 out of the proceeds of 1% Cumulative Non Convertible Redeemable Preference Shares of ₹ 10/- each allotted on 29th January, 2008

\*\* Presently listed on BSE and NSE

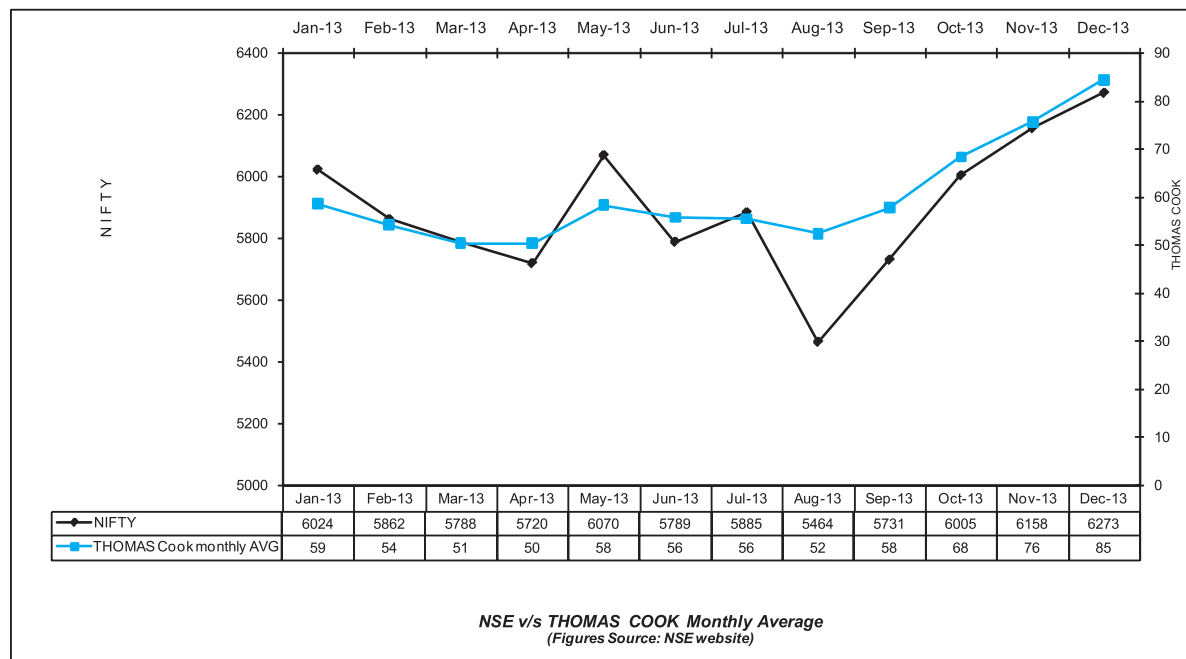
\*\*\* 105,000,000 1% Cumulative Non – Convertible Redeemable Preference Shares of ₹ 10/- each amounting to ₹ 1,050,000,000 were allotted on 29th January, 2008 and were redeemed on 29th January, 2009 out of the proceeds of the Rights Issue of Equity Shares of ₹ 1/- each allotted on 21st January, 2009

Performance in comparison to broad-based indices such as BSE SENSEX (SENSEX), NSE 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 Private Limited,  
6-10, Haji Moosa Patrawala Indl. Estate 20, Dr. E Moses Road, Mahalakshmi,  
Mumbai 400 011  
Tel: +91 22 6656 8484  
Fax: +91 22 6656 8494  
Email Id: csg-unit@tsrdarashaw.com  
Web-site: www.tsrdarashaw.com

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

In terms of Section 205C of the Companies Act, 1956, an amount of ₹ 1,32,923 being unclaimed dividend and due for payment for the year ended 31st October, 2005, was transferred during the year to the IEPF established by the Central Government.

**Share Transfer System:**

With the recent amendments with effect from 1st October, 2012 Share Transfer is normally effected within a maximum period of 15 days from the date of receipt, if all the required documentation is submitted. The Company Secretary has been given the authority by the Board of Directors to approve the share transfers. The Share Transfer & Shareholders'/ Investors' Grievance Committee notes the approval of the same at the next meeting. The Committee meets for approval of issue of duplicate share certificate, split, consolidation, etc. as per the request received.

**I. (a) Distribution of Equity shareholding (as on 31st December, 2013):**

Range of Holding	No. of Shares	Amount (₹)	% to Capital	No. of Shareholders	% to Shareholders
1 to 5000	10957029	10957029	4.42	27982	96.40
5001 to 10000	4106426	4106426	1.66	580	2.00
10001 to 20000	4263388	4263388	1.72	345	1.19
20001 to 30000	1230424	1230424	0.50	51	0.18
30001 to 40000	635541	635541	0.26	18	0.06
40001 to 50000	546251	546251	0.22	12	0.04
50001 to 100000	845856	845856	0.34	12	0.04
Greater than 100000	225095982	225095982	90.88	25	0.09
<b>Total</b>	<b>247680897</b>	<b>247680897</b>	<b>100.00</b>	<b>29025</b>	<b>100.00</b>

**(b) Categories of Equity Shareholders (as on 31st December, 2013):**

Sr. No.	Shares held by	No. of shares held	% of Shareholding
1	Foreign Holdings		
	a. Foreign Collaborators	185653725	74.96
	b. Foreign Institutional Investors	32700486	13.20
	c. Overseas Corporate Bodies	0	0.00
	d. Other NRI's	571765	0.23
	Total (a+b+c+d)	218925976	88.39
2	Govt. /Govt. Sponsored Financial Institutions / Nationalised Banks	7090	0.00
3	Foreign Banks	660	0.00
4	Other Banks	18364	0.01
5	Mutual funds	7682	0.00
6	Insurance Companies	4356890	1.76
7	Bodies Corporate	2942666	1.19
8	Other Directors & their Relatives	110000	0.04
9	Trusts	10957	0.00
10	Other Resident Individuals	21300612	8.60
	<b>Grand Total (1+2+3+4+5+6+7+8+9+10) :</b>	<b>247680897</b>	<b>100.00</b>

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

Status of dematerialisation as on 31st December, 2013:

Particulars	No. of shares	% to Capital	No. of Accounts
National Securities Depository Limited	240443373	97.08	19165
Central Depository Securities Limited	4881572	1.97	8869
Total Dematted (A)	245324945	99.05	28034
Physical (B)	2355952	0.95	991
<b>Total (A + B)</b>	<b>247680897</b>	<b>100.00</b>	<b>29025</b>

## (d) Top 10 Equity Shareholders (as on 31st December, 2013)

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

Name(s) of Shareholders	Category (as per Depository)	Shares	% to Capital
Morgan Stanley Mauritius Company Limited	Foreign Institutional Investors	7967705	3.22
Tiger Global Mauritius Fund	Foreign Institutional Investors	6896439	2.78
Copthall Mauritius Investment Limited	Foreign Institutional Investors	6483288	2.62
Citigroup Global Markets Mauritius Private Limited	Foreign Institutional Investors	6278376	2.53
ICICI Prudential Life Insurance Company Ltd	Other Insurance Company	4100000	1.66
India Capital Fund Limited	Foreign Institutional Investors	3257692	1.32
Infinity Trust Investments Pvt. Ltd	Bodies Corporate	635840	0.26
Royce Financial Services Fund	Foreign Institutional Investors	588300	0.24
Morgan Stanley Asia (Singapore) Pte.	Foreign Institutional Investors	577091	0.23
Goodwill Warehousing Private Ltd	Bodies Corporate	398007	0.16
<b>TOTAL</b>		<b>37182738</b>	<b>15.01</b>

## II. (a) Distribution of shareholding of Class 'B' Preference Shares (as on 31st December, 2013):

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, 2013):

Sr. No.	Shares held by	No. of shares held	% of Shareholding
1	Foreign Holdings		
	a. Foreign Collaborators	0	0.00
	b. Foreign Institutional Investors	0	0.00
	c. Overseas Corporate Bodies	0	0.00
	d. Other NRI's	0	0.00
	Total (a+b+c+d)	0	0.00
2	Govt. /Govt. Sponsored Financial Institutions / Nationalised Banks	0	0.00
3	Foreign Banks	0	0.00
4	Other Banks	0	0.00
5	Mutual funds	0	0.00
6	Insurance Company	0	0.00
7	Bodies Corporate	319765	100.00
8	Directors & their Relatives	0	0.00
9	Trusts	0	0.00
10	Other Resident Individuals	0	0.00
	<b>Grand Total (1+2+3+4+5+6+7+8+9+10) :</b>	<b>319765</b>	<b>100.00</b>



## (c) Dematerialisation of Class 'B' Preference shares and liquidity:

Status of dematerialisation as on 31st December, 2013:

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 Class 'B' Preference Shareholders (as on 31st December, 2013)

(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, 2013):

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
<b>GREATER THAN 100000</b>	<b>271800</b>	<b>2718000</b>	<b>100.00</b>	<b>1</b>	<b>100.00</b>
<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, 2013):

Sr. No.	Shares held by	No. of shares held	% of Shareholding
1	Foreign Holdings		
	a. Foreign Collaborators	0	0.00
	b. Foreign Institutional Investors	0	0.00
	c. Overseas Corporate Bodies	0	0.00
	d. Other NRI's	0	0.00
	Total (a+b+c+d)	0	0.00
2	Govt. /Govt. Sponsored Financial Institutions Nationalised Banks	0	0.00
	Total	0	0.00
3	Foreign Banks	0	0.00
4	Other Banks	0	0.00
5	Mutual funds	0	0.00
6	Insurance Company	0	0.00
7	Bodies Corporate	271800	100.00
8	Directors & their Relatives	0	0.00
9	Trusts	0	0.00
10	Other Resident Individuals	0	0.00
	<b>Grand Total (1+2+3+4+5+6+7+8+9+10) :</b>	<b>271800</b>	<b>100.00</b>

## (c) Dematerialisation of Class 'C' Preference shares and liquidity:

Status of dematerialisation as on 31st December, 2013:

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 Class 'C' Shareholders (as on 31st December, 2013)

(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, 2013 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 ₹ 30.30 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 ₹ 36.40 per share. Pursuant to the subdivision of the equity share capital of the Company in May 2007, the aforesaid EPS figures have respectively been adjusted to ₹ 3.03 and ₹ 3.64 as per the terms of issue of these shares. Arbitral proceedings between LKP Finance limited the holder of the aforesaid preference shares and the Company have commenced during the year on the matter of redemption/ conversion of the said shares. In deference to the order of the learned arbitral tribunal, dated 15th October, 2013, the Company has not taken any further steps in this regard as on 31st December, 2013.

## Non-Convertible Debentures :

The Company had issued & allotted following 10.52% 1000 Unsecured Redeemable Non-Convertible Debentures ('NCDs') on Private placement basis during the financial year under review.

Particulars	
Issue price	₹ 10 lakh each
No of debentures	1000
Rate of Interest	10.52% p.a.
Period (Tenure)	60 Months with repayment staggered equally at the end of 3rd, 4th & 5th Year (i.e. 33.33%, 33.33% & 33.34%)
Date of Redemption	15th April 2016, 15th April 2017, 15th April 2018
Trustees	IDBI Trusteeship Services Limited having its registered office at Asian Building, Ground Floor17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. Tel: +91-22-4080 7008, Fax: +91-22-6631 1776, Website: <a href="http://www.idbitrustee.com">http://www.idbitrustee.com</a>

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

## Plant Locations:

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

M. K. SHARMA  
Chairman

MADHAVAN MENON  
Managing Director

Mumbai, 19th February, 2014

## 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. Uday Chander Khanna  
 Mr. M. K. Sharma  
 Mr. Ramesh Savoor  
 Mr. Krishnan Ramachandran  
 Mr. Harsha Raghavan  
 Mrs. Kishori Udeshi

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

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

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

The Committee recommended to the Board the reappointment of M/s. Lovelock & Lewes, as statutory auditors of the Company for the year ended 31st December, 2014.

UDAY CHANDER KHANNA  
 Chairman  
 Audit Committee

Mumbai  
 19th February, 2014

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

The Sub-Committee of the Board met 8 times during the year ended 31st December 2013. The requisite quorum was present from among the following members of the Committee.

Mr. Madhavan Menon  
 Mr. Harsha Raghavan

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. Harsha Raghavan, Member. The Sub-Committee meets once in a month or as and when required.

MADHAVAN MENON  
 Chairman  
 Sub – Committee of the Board

Mumbai  
 19th February, 2014

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

The Share Transfer & Shareholders' / Investors' Grievance Committee of the Board met 3 times during the year ended 31st December, 2013. Upto 30th September, 2012, the Committee attended to share transfer formalities once in a fortnight as stipulated under Clause 49 of the Listing Agreement. However with effect from 1st October, 2012, the Company has reviewed and changed the share transfer process in view of the SEBI Circular no. CIR/ MIRSD/ 8/ 2012 dated 05/07/2012, wherein all listed companies were mandated to complete the share transfer process within 15 days from date of lodgement, pursuant to which, the share transfers are approved fortnightly by the Company Secretary and are noted in the subsequent meeting(s) of the Committee.

Mr. M. K. Sharma  
 Mr. Madhavan Menon  
 Mr. Harsha Raghavan  
 Mr. Uday Khanna

Mr. R. R. Kenkare, President & Head - Legal & Company Secretary, acts as the Secretary to 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, 2013 comprised of Three Non-Executive Directors and one Executive Director.

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

No. of correspondence received	441
No. of correspondence attended to	439
No. of correspondence pending	2*

\* pending as on 31st December, 2013. These were subsequently resolved/ replied to/ attended to

M. K. SHARMA  
 Chairman  
 Share Transfer & Shareholders' / Investors' Grievance Committee

Mumbai  
 19th February, 2014

## Report of the Recruitment & Remuneration Committee to the Members

The Recruitment & Remuneration Committee met 3 times during the year under review i.e. 19th February 2013, 13th May 2013, and 5th September, 2013 and the requisite quorum was present from among the following members of the Committee:

Name of the Director	Designation
Mr. Ramesh Savoor	Chairman
Mr. Krishnan Ramachandran	Member
Mr. M. K. Sharma	Member
Mr. Harsha Raghavan	Member

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

### Salaries:

The Committee reviewed and approved the compensation payable to the Executive Director 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 Director is disclosed in the Annual Report. The Committee also approved the compensation for the Executive Committee (Execom). The Committee will endeavour to constantly benchmark the Compensation & Benefits payable to the Execom 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, 2013 for Thomas Cook (India) Limited and its wholly owned subsidiary Travel Corporation (India) Limited.

Sr. No.	Name	Amount (₹)
	<b>Thomas Cook (India) Limited</b>	
1	Mr. Ramesh A. Savoor	15,00,000
2	Mr. Mahendra Kumar Sharma	15,00,000
3	Mr. Krishnan Ramachandran	15,00,000
4	Mr. Uday Chander Khanna	15,00,000
5	Mrs. Kishori Udeshi	15,00,000
	<b>Total</b>	75,00,000
	<b>Travel Corporation (India) Limited</b>	
1	Mr. Mahendra Kumar Sharma	137,605

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.

RAMESH SAVOOR  
Chairman  
Recruitment & Remuneration Committee

Mumbai  
19th February, 2014



## Certificate Regarding Compliance of Conditions of Corporate Governance

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

We have examined the compliance with conditions of Corporate Governance by **Thomas Cook (India) Limited**, for the year ended on 31st December, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance with conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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 NILESH SHAH & ASSOCIATES  
Company Secretaries

(NILESH SHAH)  
Partner (FCS - 4554)  
C.P.No: 2631

Place: Mumbai  
Date : 19th February, 2014

## 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 2013 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.

MADHAVAN MENON  
Managing Director  
Thomas Cook (India) Limited  
Mumbai, 19th February, 2014

DEBASIS NANDY  
President & Chief Financial Officer  
Thomas Cook (India) Limited  
Mumbai, 19th February, 2014

#### 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, 2013.

MADHAVAN MENON  
Managing Director  
Thomas Cook (India) Limited  
Mumbai, 19th February, 2014

# Auditors' Report

## INDEPENDENT AUDITORS' REPORT

To the Members of Thomas Cook (India) Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Thomas Cook (India) Limited (the "Company"), which comprise the Balance Sheet as at December 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 of India (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment

of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company'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 the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2013;
  - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate

and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - (e) On the basis of written representations received from the directors as on December 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For LOVELOCK & LEWES  
Firm Registration Number: 301056E  
Chartered Accountants  
NAGNATH V PAI  
Partner  
Membership Number : 036134  
Mumbai  
February 19, 2014

## Annexure to the Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Thomas Cook (India) Limited on the financial statements as of and for the year ended December 31, 2013

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d)/(f) and (g)] of the said Order are not applicable to the Company.
- iv. 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 Leisure Travel Outbound Business where the internal control system needs to be strengthened for which management is taking remedial measures. 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 been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
- (b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, wealth tax, customs duty and excise duty, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, wealth tax, customs duty, and excise duty which have not been deposited on account of any dispute. The particulars of dues of service tax as at December 31, 2013 which have not been deposited on account of a dispute, are as follows:
- | Name of the statute     | Nature of dues | Amount in ₹   | Period to which the amount relates | Forum where the dispute is pending                   |
|-------------------------|----------------|---------------|------------------------------------|--|
| Service Tax Rules, 1994 | Service Tax    | 3,140,439,678 | Financial Years 2003 to 2012       | Various Levels from Assistant Commissioner to CESTAT |
- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.

## Annexure to the Independent Auditors' Report

- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and 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. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. 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. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company issued unsecured 1,000 Redeemable Non-Convertible Debentures of ₹ 1,000,000 each, aggregating ₹ 1,000,000,000 which are outstanding at the year-end, in respect of which it is not required to create security or charge.
- xx. We have verified the end use of moneys raised by Institutional Placement Programme and the same has been disclosed in Note 41 in the notes to accounts of the financial statements.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

NAGNATH V PAI  
Partner  
Membership Number: 036134

Mumbai  
February 19, 2014



# Balance Sheet

## as at December 31, 2013

		Amount in Rupees	
	Note	As at December 31, 2013	As at December 31, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	253,596,547	219,074,344
Reserves and Surplus	4	5,854,297,632	3,765,993,030
		<u>6,107,894,179</u>	<u>3,985,067,374</u>
<b>Non-current Liabilities</b>			
Long-term Borrowings	5	1,012,423,522	22,230,756
Other Long-term Liabilities	6	180,696,070	226,184,310
Long-term Provisions	7	8,809,513	6,601,067
Deferred Tax Liability (Net)	8	25,916,768	44,426,249
<b>Current Liabilities</b>			
Short-term Borrowings	9	128,060,251	1,820,862,105
Trade Payables	10	1,899,562,402	1,149,091,250
Other Current Liabilities	11	1,319,819,826	1,225,899,366
Short-term Provisions	12	196,861,807	118,743,645
	<b>Total</b>	<u>10,880,044,338</u>	<u>8,599,106,122</u>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	13	547,929,093	584,720,693
Intangible Assets	14	83,110,670	104,136,626
Capital Work-in-Progress		5,087,480	2,158,755
Intangible Assets Under Development		36,227,131	13,252,597
Non-current Investments	15	4,532,476,535	1,939,981,873
Long-term Loans and Advances	16	446,157,057	530,870,422
Other Non-current Assets	17	182,789,404	165,597,978
<b>Current Assets</b>			
Current Investments	18	1,400,460,735	800,148,516
Trade Receivables	19	1,761,596,402	1,835,000,276
Cash and Bank Balances	20	927,882,550	1,677,159,542
Short-term Loans and Advances	21	730,794,805	709,481,424
Other Current Assets	22	225,532,476	236,597,420
	<b>Total</b>	<u>10,880,044,338</u>	<u>8,599,106,122</u>
Summary of Significant Accounting Policies	2		
Contingent Liabilities, Capital Commitments	23, 24		
The notes are an integral part of these Financial Statements.			

In terms of our report of even date

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

NAGNATH V PAI  
Partner  
Membership No. 036134

For and on behalf of the Board

MAHENDRA KUMAR SHARMA – Chairman  
MADHAVAN MENON – Managing Director  
R. R. KENKARE – President & Head - Legal & Company Secretary  
DEBASIS NANDY – President & Chief Financial Officer

Mumbai, February 19, 2014

Mumbai, February 19, 2014

## Statement of Profit and Loss for the year ended December 31, 2013

Amount in Rupees

	Note	Year ended December 31, 2013	Year ended December 31, 2012
<b>Revenue</b>			
Revenue from Operations	26	3,781,031,444	3,771,295,171
Other Income	27	55,008,780	92,331,329
<b>Total Revenue</b>		<b>3,836,040,224</b>	<b>3,863,626,500</b>
<b>Expenses</b>			
Employee Benefits Expenses	28	1,478,962,456	1,481,594,307
Finance Costs	29	347,526,354	300,488,025
Depreciation and Amortisation Expenses	30	111,869,702	117,182,087
Advertisement Expenses		159,911,844	218,274,380
Other Expenses	31	1,034,830,316	1,008,169,265
<b>Total Expenses</b>		<b>3,133,100,672</b>	<b>3,125,708,064</b>
<b>Profit Before Tax</b>		<b>702,939,552</b>	<b>737,918,436</b>
<b>Tax Expense:</b>			
Current Tax		260,200,000	251,800,000
Deferred Tax		(18,509,480)	(5,945,078)
<b>Profit After Tax</b>		<b>461,249,032</b>	<b>492,063,514</b>
Earning per Equity Share	33		
Basic (Face value of ₹ 1 each)		1.96	2.31
Diluted (Face value of ₹ 1 each)		1.91	2.26
Summary of Significant Accounting Policies	2		
The notes are an integral part of these Financial Statements.			

In terms of our report of even date

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

NAGNATH V PAI  
Partner  
Membership No. 036134

Mumbai, February 19, 2014

For and on behalf of the Board

MAHENDRA KUMAR SHARMA – Chairman  
MADHAVAN MENON – Managing Director  
R. R. KENKARE – President & Head - Legal & Company Secretary  
DEBASIS NANDY – President & Chief Financial Officer

Mumbai, February 19, 2014

# Cash Flow Statement

## for the year ended December 31, 2013

	Amount in Rupees	
	Year ended December 31, 2013	Year ended December 31, 2012
<b>Cash Flows from Operating Activities</b>		
Profit Before Tax	702,939,552	737,918,436
Adjustments for :		
Interest Income	(23,112,554)	(8,181,256)
Dividend Income from Investments	(4,341,767)	(3,507,898)
Expenses / (Write back) on Employees Stock Options Schemes (Net)	6,633,536	(2,516,980)
Depreciation and Amortisation	111,869,702	117,182,087
Loss on sale of Fixed Assets (Net)	9,526,021	6,629,223
Interest on Income Tax Refund	(6,745,402)	(51,050,108)
Finance Costs	347,526,354	300,488,025
Provision for Diminution in the value of Non - Current Investments	133	15
Bad Debts and Advances written off	516,023	33,866,176
Provision for Doubtful Debts and Advances (Net)	38,728,283	27,618,093
Operating Profit before Working Capital changes	1,183,539,881	1,158,445,813
Changes in Working Capital:		
Increase / (Decrease) in Trade Payables	750,471,152	(98,878,659)
Increase / (Decrease) in Provisions	2,208,446	(13,215,804)
(Decrease) / Increase in Other Liabilities	(2,767,454)	469,370,339
Decrease in Trade Receivables	34,159,568	66,706,993
Decrease / (Increase) in Loans and Advances	63,111,669	(276,014,734)
Decrease / (Increase) in Other Assets	10,582,566	(55,533,045)
Cash generated from operations	2,041,305,828	1,250,880,903
Income Taxes Paid (Net of refunds received)	(197,845,301)	(257,388,674)
Interest on Income Tax Refund	6,745,402	51,050,108
<b>Net cash from Operating Activities</b>	<b>1,850,205,929</b>	<b>1,044,542,337</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of Fixed Assets	7,700,733	7,635,483
Purchase of Fixed Assets	(96,893,844)	(119,497,131)
Interest Received	23,594,932	5,562,371
Dividend Received	4,341,767	3,507,898
Advance against Investment in Subsidiary	-	(31,658,781)
Investment in Subsidiary	(2,592,494,796)	(15,841,219)
Purchase of Current Investments	(14,041,078,710)	(13,273,482,173)
Sale of Current Investments	13,440,766,491	12,523,352,597
Investment in Fixed deposits having maturity over three months	(17,300,609)	(151,785,693)
Net cash (used in) Investing Activities	(3,271,364,036)	(1,052,206,648)

## Cash Flow Statement (Contd)

### for the year ended December 31, 2013

Amount in Rupees

Cash Flows from Financing Activities	Year ended December 31, 2013	Year ended December 31, 2012
Proceeds from Issue of Equity Shares under Employees Stock Options Schemes and Institutional Placement Programme ("IPP")	1,779,310,566	42,427,997
Proceeds from issue of 10.52% Non convertible Debentures	1,000,000,000	-
Dividend Paid for the year	(92,826,920)	(79,814,489)
Tax on Dividend Paid for the year	(15,775,945)	(12,947,913)
Repayment of Borrowings (Net)	(1,692,801,854)	(407,838,566)
(Repayment of) / Proceeds from Finance Lease Liability (Net)	(11,662,387)	9,401,055
Finance Costs paid	(294,138,630)	(316,213,462)
Net cash from / (used in) Financing Activities	<u>672,104,830</u>	<u>(764,985,378)</u>
<b>Total Decrease in Cash and Cash Equivalents during the year</b>	<u>(749,053,277)</u>	<u>(772,649,689)</u>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<u>1,674,489,370</u>	<u>2,447,139,059</u>
<b>Cash and Cash Equivalents at the end of the year</b>	<u><u>925,436,093</u></u>	<u><u>1,674,489,370</u></u>

Notes :

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 Cash Flow Statements, notified under the Companies Act, 1956 of India (the "Act") read with the General Circular 15 / 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- Cash and Cash equivalents-Refer Notes 2.9 and 20
- Previous year figures have been reclassified to conform to this year's classification.

This is the cash flow referred to in our report of even date

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

NAGNATH V PAI  
Partner  
Membership No. 036134

Mumbai, February 19, 2014

For and on behalf of the Board

MAHENDRA KUMAR SHARMA – Chairman  
MADHAVAN MENON – Managing Director  
R. R. KENKARE – President & Head - Legal & Company Secretary  
DEBASIS NANDY – President & Chief Financial Officer

Mumbai, February 19, 2014

# Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

## 1 General Information :

Thomas Cook (India) Limited (the “Company”) is a Public Limited Company listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged in diversified businesses primarily working as an Authorised Foreign Exchange Dealer. The Company is also engaged in Tour and Travel Business and working as Travel Agent and Tour Operator.

## 2 Summary of Significant Accounting Policies :

### 2.1 Basis of Preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies Act, 1956 of India (the “Act”) read with the General Circular 15 / 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

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

### 2.2 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

### 2.3 Employees Share- based Payments

Equity settled stock options granted under stock option schemes established after June 19, 1999 are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by the Securities and Exchange Board of India (SEBI) and the Guidance Note on Employee Share based Payments issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are accounted by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and to deferred employee compensation expense equal to the un-amortised portion.

### 2.4 Employee Benefits

#### (i) Long-term Employee Benefits

##### (a) Defined Contribution Plans

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

##### (b) Defined Benefit Plans

The Company provides for gratuity, a defined benefit plan (the “Gratuity Plan”) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. Contribution to Gratuity is based on the premium contribution called for by the Life Insurance Corporation of India (LIC) with whom the Company has entered into an arrangement. The Company’s liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the Statement of Profit and Loss in the year in which they arise.

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

#### (ii) Short-term Employee Benefit

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



## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

### 2.5 Tangible Assets

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

Depreciation is provided on a pro - rata basis on the straight line method over the estimated useful lives of the assets or at the rates prescribed under Schedule XIV to the Companies Act, 1956, whichever is higher, as follows:

Asset	Rate
Computers	25%
Furniture and Fixtures	6.33%
Office Equipment	4.75%
Office Building	1.63%
Vehicles	15%

Leasehold Improvements are amortised over the period of the lease.

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

### 2.6 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The amortization rates used are:

Asset	Rate
Software (including software - internally generated / developed)	25%

### 2.7 Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from its continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

### 2.8 Investments

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

### 2.9 Cash and Cash Equivalents

In the cash flow statement, Cash and Cash Equivalents includes Cash on Hand, Cheques on Hand, Remittances in Transit, Balances with Bank held in Current Account and Demand Deposits with maturities of three months or less.

### 2.10 Provision and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### 2.11 Foreign Currency Translation

#### (i) Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### (ii) Subsequent Recognition

As at the reporting date, non - monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All monetary items denominated in foreign currency are restated at Foreign Exchange Dealers Association of India (FEDAI) rates and the exchange variations arising out of settlement / conversion at the FEDAI rates are recognised in the Statement of Profit and Loss at the end of accounting period.

Profit or loss on purchase and sale of foreign exchange by the Company in its capacity as Authorised Foreign Exchange Dealer are accounted as a part of the revenue.

#### (iii) Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset / liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

### 2.12 Revenue Recognition

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. 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.

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

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

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

### 2.13 Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the right to receive dividend is established.

### 2.14 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight - line basis over the period of the lease.

The Company leases certain tangible and intangible assets and such leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability pertaining to non - current portion is included in other long - term borrowings and the current portion is included in other current liabilities. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

### 2.15 Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured as the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

The tax year for the Company being the year ending March 31, the provision for taxation for the year is the aggregate of the provision made for the three months ended March 31, 2013 and the provision based on the figures for the remaining nine months up to December 31, 2013, the ultimate tax liability of which will be determined on the basis of the figures for the period April 1, 2013 to March 31, 2014.

### 2.16 Earnings Per Share

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

3 Share Capital	As at December 31, 2013	As at December 31, 2012
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 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, Subscribed and Paid up :		
247,680,897 (Previous Year 213,158,694) Equity Shares of ₹ 1 each fully paid-up	247,680,897	213,158,694
319,765 (Previous Year 319,765) 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10 each	3,197,650	3,197,650
271,800 (Previous Year 271,800) 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10 each	2,718,000	2,718,000
	<u>253,596,547</u>	<u>219,074,344</u>

#### (a) Reconciliation of the number of shares

	As at December 31, 2013		As at December 31, 2012	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
Balance as at the beginning of the year	213,158,694	213,158,694	212,007,362	212,007,362
Add: Addition on account of Stock Options allotment	142,597	142,597	1,151,332	1,151,332
Add: Addition on account of IPP [Refer Note 41]	34,379,606	34,379,606	-	-
Balance as at the end of the year	<u>247,680,897</u>	<u>247,680,897</u>	<u>213,158,694</u>	<u>213,158,694</u>

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

(b) Rights, preferences and restrictions attached to shares

Equity Shares:-The Company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution to preference shareholders of all preferential amounts, in proportion to their shareholding.

Preference Shares:- 319,765 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10 each and 271,800 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10 each were issued on February 7, 2007 to the erstwhile shareholders of LKP Merchant Financing Limited (presently known as LKP Finance Limited) pursuant to the Scheme of Amalgamation without payment being received in cash. The terms of conversion / redemption of these preference shares are given in Note (f) below.

(c) Shares held by Holding Company

	As at December 31, 2013		As at December 31, 2012	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
Fairbridge Capital (Mauritius) Limited	185,653,725	185,653,725	185,653,725	185,653,725

(d) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at December 31, 2013		As at December 31, 2012	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares				
Fairbridge Capital (Mauritius) Limited	185,653,725	74.96%	185,653,725	87.10%
Preference Shares- 'Class B'				
LKP Merchant Financing Limited	319,765	100.00%	319,765	100.00%
Preference Shares- 'Class C'				
LKP Merchant Financing Limited	271,800	100.00%	271,800	100.00%

(e) Shares reserved for issue under Options

	As at December 31, 2013	As at December 31, 2012
Number of shares to be issued under the Employees Stock Option Schemes	7,508,101	3,042,009
Refer Note 34 for details of shares to be issued under the Employee Stock Option Schemes.		

(f) Terms of securities convertible into Equity Shares

Class B Preference Shares :-

If the EPS of the Company for any financial year during the Earn out period first exceeds ₹ 30.30, each Class B Preference Share shall be converted into 1 (One) equity share of the Company within 6 (Six) months from the expiry of the said Financial Year. The number of the equity shares to be issued upon conversion of the Class B Preference shares shall be proportionately adjusted in case of any subdivision of equity shares or Bonus issues of equity shares during the Earn Out period. Provided however that if the EPS of the Company does not exceed ₹ 30.30 for any Financial Year comprised in the Earn Out period, each Class B Preference share shall be redeemed by the Company at par within 6 (Six) months from the expiry of the Earn Out period.

Class C Preference Shares :-

If the EPS of the Company for any financial year during the Earn out period first exceeds ₹ 36.40, each Class C Preference Share shall be converted into 1 (One) equity share of the Company within 6 (Six) months from the expiry of the said Financial Year. The number of the equity shares to be issued upon conversion of the Class C Preference shares shall be proportionately adjusted in case of any subdivision of equity shares or Bonus issues of equity shares during the Earn Out period. Provided however that if the EPS of the Company does not exceed ₹ 36.40 for any Financial Year comprised in the Earn Out period, each Class C Preference share shall be redeemed by the Company at par within 6 (Six) months from the expiry of the Earn Out period.

Pursuant to sub division of equity share capital of Company in May 2007, wherein the face value of equity share of ₹ 10 each was subdivided into equity share of ₹ 1 each, the aforesaid EPS figures have respectively been adjusted to ₹ 3.03 and ₹ 3.64 per the terms of issue of those shares.

The Earn Out period has ended on December 31, 2013 and pursuant to the execution of the consent terms dated February 5, 2014 with LKP Finance Limited, the Company shall convert 319,765 Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10 each and 271,800 Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10 each held by LKP Finance Limited in the Company, into 5,140,000 Equity Shares of ₹ 1 each of the Company, subject to necessary approvals.

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

4 Reserves and Surplus	As at December 31, 2013	As at December 31, 2012
<b><u>Debenture Redemption Reserve</u></b>		
Balance as at the beginning of the year	-	-
Add: Transfer from Surplus in Statement of Profit and Loss during the year	48,958,333	-
Balance as at the end of the year	48,958,333	-
<b><u>Securities Premium Account</u></b>		
Balance as at the beginning of the year	1,685,373,181	1,640,748,001
Add: Addition on account of IPP	1,804,929,315	-
Add : Addition on account of Stock Options allotment	6,036,642	41,276,665
Add : Transferred from Stock Options Outstanding	623,762	3,348,515
Less: 10.52% Non-Convertible Debentures (NCD) issue expenses	6,400,100	-
Less: IPP issue expenses	59,777,494	-
Balance as at the end of the year	3,430,785,306	1,685,373,181
<b><u>Share Options Outstanding Account</u></b>		
Balance as at the beginning of the year	11,409,117	17,274,612
Add: Charge / (Write back) for options lapsed/granted during the year (Net)	6,633,536	(2,516,980)
Less: Transfer to Securities Premium on exercise of stock options during the year	623,762	3,348,515
Balance as at the end of the year	17,418,891	11,409,117
<b><u>General Reserve</u></b>		
Balance as at the beginning of the year	274,299,568	225,093,217
Add: Transfer from Surplus in Statement of Profit and Loss during the year	46,124,903	49,206,351
Balance as at the end of the year	320,424,471	274,299,568
<b><u>Surplus in Statement of Profit and Loss</u></b>		
Balance as at the beginning of the year	1,794,911,164	1,445,318,195
Profit for the year	461,249,032	492,063,514
Less: Appropriations		
Transfer to Debenture Redemption Reserve	48,958,333	-
Transfer to General Reserve	46,124,903	49,206,351
Dividend for the previous year paid during the year	12,892,352	311,669
Corporate Dividend Tax for the previous year paid during the year	2,808,559	50,570
Proposed Dividend on Equity Shares for the year	92,880,336	79,934,510
Provision for Dividend Distribution Tax on Proposed Dividend on Equity Shares	15,785,013	12,967,376
Proposed Dividend on Preference Shares for the year	59	59
Provision for Dividend Distribution Tax on Proposed Dividend on Preference Shares	10	10
Balance as at the end of the year	2,036,710,631	1,794,911,164
	5,854,297,632	3,765,993,030

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

<b>5 Long-term Borrowings</b>	As at December 31, 2013	As at December 31, 2012
Secured:		
Finance Lease Obligation [Refer Note (a) below]	12,423,522	22,230,756
Unsecured:		
Debtentures:		
1,000 (Previous Year Nil) Redeemable Non-Convertible Debtentures (Listed) [Refer Note (b) below]	1,000,000,000	-
	<u>1,012,423,522</u>	<u>22,230,756</u>
<b>(a) Nature of Security and terms of repayment for secured borrowings</b>		
<u>Nature of Security</u>	<u>Terms of Repayment</u>	
Finance Lease Obligations are secured by hypothecation of assets underlying the leases.	Monthly payment of Equated Monthly Instalments beginning from the month of taking the lease.	
<b>(b) Debtentures:</b>		
The Company has issued following redeemable non-convertible debtentures:		
1,000 Debtentures on April 15, 2013 aggregating to ₹ 1,000,000,000 of face value ₹ 1,000,000 each; carrying a coupon rate of 10.52% p.a., payable annually. These debtentures are redeemable equally at the end of the 3rd, 4th and 5th year from the date of allotment.		
<b>6 Other Long-term Liabilities</b>	As at December 31, 2013	As at December 31, 2012
Liability against Security Deposit from Vendor	171,199,850	162,202,261
Income Received in Advance	9,496,220	63,982,049
	<u>180,696,070</u>	<u>226,184,310</u>
<b>7 Long-term Provisions</b>	As at December 31, 2013	As at December 31, 2012
Provision for Employee Benefit [Refer Note 36]		
Provision for Gratuity	6,998,994	6,601,067
Provision for Provident Fund	1,810,519	-
	<u>8,809,513</u>	<u>6,601,067</u>
<b>8 Deferred Tax Liability (Net)</b>	As at December 31, 2013	As at December 31, 2012
Deferred Tax Liability		
On Fiscal Allowances on Fixed Assets	93,015,832	96,648,041
Less: Deferred Tax Assets		
On Provisions Allowable for tax purposes when paid	4,418,358	4,185,801
On Provision for Doubtful Debts and Advances	62,680,706	48,035,991
	<u>25,916,768</u>	<u>44,426,249</u>
Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.		
<b>9 Short-term Borrowings (Unsecured)</b>	As at December 31, 2013	As at December 31, 2012
Short-term Loan from Banks	-	540,000,000
Commercial Paper	-	1,158,813,330
Bank Overdrafts	128,060,251	122,048,775
	<u>128,060,251</u>	<u>1,820,862,105</u>



## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

<b>10 Trade Payables</b>	As at December 31, 2013	As at December 31, 2012
Trade Payables [other than Micro, Small and Medium Scale Business Entities] [Refer Note 39] [Includes Book Overdrafts aggregating to ₹ 181,624,544 (Previous Year ₹ 147,519,487)]	1,899,562,402	1,149,091,250

<b>11 Other Current Liabilities</b>	As at December 31, 2013	As at December 31, 2012
Current maturities of Finance Lease Obligations [Refer Note 5]	7,373,519	9,228,672
Income Received in Advance	64,435,829	64,527,218
Advance Receipts from Customers for which value is still to be given (Including Travellers Cheques, Drafts and Transfers Unpaid)	721,850,913	660,849,674
Unpaid Dividends @	2,121,517	2,454,414
Employee Benefits Payable	176,160,044	162,504,731
Liabilities against Expenses	194,577,430	221,927,247
Interest Accrued but not Due	76,431,381	23,043,657
Statutory Dues [Including Provident Fund and Tax Deducted at Source]	64,119,961	71,082,662
Fractional Entitlement on Bonus Shares Refund Accounts	49,066	49,066
Others	12,700,166	10,232,025
	<u>1,319,819,826</u>	<u>1,225,899,366</u>

@ ₹ 132,923 was paid to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 during the year ended December 31, 2013.

<b>12 Short-term Provisions</b>	As at December 31, 2013	As at December 31, 2012
Other Provisions		
Provision for Income Tax [Net of Advance Tax ₹ 2,820,901,731 (Previous Year ₹ 2,623,056,430)]	88,196,389	25,841,690
Provision for Proposed Dividend on Equity Shares	92,880,336	79,934,510
Provision for Dividend Distribution Tax on Proposed Dividend on Equity Shares	15,785,013	12,967,376
Provision for Proposed Dividend on Preference Shares	59	59
Provision for Dividend Distribution Tax on Proposed Dividend on Preference Shares	10	10
	<u>196,861,807</u>	<u>118,743,645</u>

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

### NOTE 13 TANGIBLE ASSETS

(Amount in Rupees)

Description	Gross Block (at cost)			Depreciation			Net Block		
	As at 01.01.2013	Additions	Deductions	As at 31.12.2013	As at 01.01.2013	For the year	Disposals/ Adjustments	As at 31.12.2013	As at 31.12.2012
<b>Tangible Assets</b>									
Owned									
Office Building	255,012,536	-	-	255,012,536	49,406,567	4,160,874	-	201,445,095	205,605,969
Leasehold Improvements	68,534,476	8,610,615	4,845,306	72,299,785	39,167,362	4,308,607	4,468,983	33,292,799	29,367,114
Furniture and Fixtures	282,816,172	7,646,144	18,539,593	271,922,723	106,183,669	16,169,554	12,861,263	162,430,763	176,632,503
Computers	160,170,555	14,411,317	7,915,078	166,666,794	120,497,145	20,126,205	7,739,575	33,783,019	39,673,410
Office Equipment	171,065,080	5,287,840	12,196,023	164,156,897	70,275,543	7,637,929	8,051,282	94,294,707	100,789,537
Vehicles	8,243,272	-	4,053,860	4,189,412	7,915,776	53,336	4,053,860	274,160	327,496
Leased									
Computers	3,053,425	-	-	3,053,425	2,748,083	305,342	-	3,053,425	305,342
Vehicles	39,348,217	2,336,461	9,977,618	31,707,060	7,328,895	5,095,376	3,125,761	22,408,550	32,019,322
<i>Previous Year</i>	988,243,733	38,292,377	57,527,478	969,008,632	403,523,040	57,857,223	40,300,724	547,929,093	584,720,693
	972,339,516	81,092,717	65,188,500	988,243,733	397,367,148	57,079,686	50,923,794	584,720,693	574,972,368

### NOTE 14 INTANGIBLE ASSETS

Description	Gross Block (at cost)			Amortisation			Net Block		
	As at 01.01.2013	Additions	Deductions	As at 31.12.2013	As at 01.01.2013	For the year	Disposals/ Adjustments	As at 31.12.2013	As at 31.12.2012
Owned									
Software	470,129,061	32,986,523	-	503,115,584	366,196,509	53,808,405	-	420,004,914	83,110,670
Leased	2,040,753	-	-	2,040,753	1,836,679	204,074	-	2,040,753	204,074
Software	472,169,814	32,986,523	-	505,156,337	368,033,188	54,012,479	-	422,045,667	83,110,670
<i>Previous Year</i>	441,514,585	39,486,398	8,831,169	472,169,814	316,761,956	60,102,401	8,831,169	368,033,188	124,752,629

Notes:

- Cost of Office Building includes:
  - 60 (Previous Year - 60) unquoted fully paid-up Shares of ₹ 3,000 (Previous Year ₹ 3,000) in various Co-operative Societies.
  - Share application money of ₹ 2,040 (Previous Year ₹ 2,040) to various Co-operative Societies.
  - Premises of ₹ 189,694,888 (Previous Year ₹ 192,708,900) where the Co-operative Society is yet to be formed
- Intangible Assets (software) includes Internally generated / developed software - Gross Block ₹ 124,446,137 (Previous Year ₹ 94,996,746); Net Block ₹ 51,204,210 (Previous Year ₹ 49,646,701)

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

<b>15 Non-current Investments</b>	As at December 31, 2013	As at December 31, 2012
Trade Investments (Valued at cost) (Unquoted unless otherwise stated)		
Investment in subsidiaries		
- 1,576,698 fully paid-up Equity Shares of ₹ 10 each of Travel Corporation (India) Limited	1,848,427,470	1,848,427,470
- 1,655,500 fully paid-up Equity Shares of USD 1 each of Thomas Cook (Mauritius) Holding Company Limited	73,248,730	73,248,730
- 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
- 3,881,256 fully paid-up Equity Shares of SLR 10 each of Thomas Cook Lanka (Private) Limited	15,841,219	15,841,219
- 12,928,919 fully paid-up Equity Shares of ₹ 10 each of IKYA Human Capital Solutions Limited ("IKYA")	1,632,494,796	-
- 7,717,912 fully paid-up 0.001% Mandatorily Convertible Preference Shares of ₹ 100 each of IKYA	960,000,000	-
Others		
- 676 fully paid-up Class C (Series I) Common Stock of USD 0.0001 each of Visa Inc.	962,589	962,589
Other Investments (Quoted)		
[Net of provision for other than temporary diminution aggregating to ₹ 18,269 (Previous Year ₹ 18,135)]		
- 10 fully paid-up Equity Shares of ₹ 10 each of JIK Industries Limited	7	25
- 100 fully paid-up Equity Shares of ₹ 10 each of Weizmann Limited	615	719
- 66 fully paid-up Equity Shares of ₹ 10 each of Karma Energy Limited	603	615
- 66 fully paid-up Equity Shares of ₹ 10 each of Weizmann Forex Limited	506	506
	<u>4,532,476,535</u>	<u>1,939,981,873</u>
Aggregate Amount of Quoted Investments	1,731	1,865
Aggregate Market Value of Quoted Investments	4,191	8,302
Aggregate Amount of Unquoted Investments	4,532,474,804	1,939,980,008
Aggregate Provision for Diminution in value of Investments	18,269	18,135
<b>16 Long-term Loans and Advances</b> (Unsecured, Considered good)	As at December 31, 2013	As at December 31, 2012
Capital Advances	677,963	966,278
Security Deposits	364,244,347	348,617,439
Prepaid Expenses	49,575,966	149,627,924
Advance against Investment in Subsidiary	31,658,781	31,658,781
	<u>446,157,057</u>	<u>530,870,422</u>

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

<b>17 Other Non-current Assets</b>	As at December 31, 2013	As at December 31, 2012
Fixed Deposit with Bank with maturity period more than 12 months [On lien with various authorities ₹ 11,589,554 (Previous Year ₹ 13,261,828)]	182,789,404	165,597,978
<b>18 Current Investments</b>	As at December 31, 2013	As at December 31, 2012
Investments in fully paid up Units of Mutual Funds (Unquoted)		
- 1,997,448 (Previous Year 1,996,441) Units of ₹ 100 each - Birla Sun Life Cash Plus - Daily Dividend	200,134,257	200,033,403
- 19,617,727 (Previous Year 19,615,342) Units of ₹ 10 each - HDFC Liquid Fund - Direct Plan - Dividend - Daily Reinvestment	200,065,507	-
- 199,363 (Previous Year 199,360) Units of ₹ 1,000 each - UTI Money Market Fund - Dividend Daily Reinvestment	200,037,610	200,034,766
- 19,999,675 (Previous Year Nil) Units of ₹ 10 each - ICICI Prudential Liquid - Direct Plan - Daily Dividend	200,075,836	-
- 199,911 (Previous Year Nil) Units of ₹ 1,000 each - Baroda Pioneer Liquid Fund Plan B - Daily Dividend- Re-investment	200,037,018	-
- 199,943 (Previous Year Nil) Units of ₹ 1,000 each - Union KBC Liquid Fund - Daily Dividend Reinvestment - Direct Plan	200,073,530	-
- 182,183 (Previous Year Nil) Units of ₹ 1,000 each - LIC Nomura Mutual Liquid Fund - Direct - Dividend Plan	200,036,977	-
- Nil (Previous Year 19,615,342) Units of ₹ 10 each - HDFC Cash Management Fund - Savings Plan- Daily Dividend Reinvestment	-	200,041,184
- Nil (Previous Year 199,905) Units of ₹ 1,000 each - Templeton India Treasury Management Account - Super Institutional Plan - Daily Dividend - Reinvestment	-	200,039,163
	<u>1,400,460,735</u>	<u>800,148,516</u>
Aggregate Amount of Unquoted Investments	1,400,460,735	800,148,516
<b>19 Trade Receivables</b>	As at December 31, 2013	As at December 31, 2012
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	1,761,596,402	1,835,000,276
Unsecured, Considered Doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	150,498,247	114,522,847
Less: Provision for Doubtful Debts	(150,498,247)	(114,522,847)
	<u>1,761,596,402</u>	<u>1,835,000,276</u>

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

<b>20 Cash and Bank Balances</b>	As at December 31, 2013	As at December 31, 2012
Cash and Cash Equivalents		
Cash on Hand (including Foreign Currencies - Notes and paid documents)	307,741,922	637,339,564
Cheques / Drafts on Hand	16,712,867	61,787,756
Remittances in Transit (including Foreign Currencies - Notes and paid documents)	182,356,724	377,299,220
Bank Balances		
- In Current Accounts	418,597,522	537,430,166
- Fixed Deposits (less than 3 months maturity) [On lien with various authorities]	27,058	60,632,664
	<u>925,436,093</u>	<u>1,674,489,370</u>
Other Bank Balances		
- Fixed Deposits (maturity more than 3 months but less than 12 months) [On lien with various authorities]	324,940	215,757
- Unpaid Dividend Account	2,121,517	2,454,415
	<u>2,446,457</u>	<u>2,670,172</u>
	<u>927,882,550</u>	<u>1,677,159,542</u>
<b>21 Short-term Loans and Advances</b> (Unsecured, Considered good unless otherwise stated)	As at December 31, 2013	As at December 31, 2012
Advances to Ultimate Holding Company	1,308,501	-
Advances to Subsidiary Companies	45,490,015	28,449,725
Advances to Suppliers		
- Considered Good	473,566,083	447,101,246
- Considered Doubtful	31,158,067	31,158,067
Less: Allowance for Doubtful Loans and Advances	(31,158,067)	(31,158,067)
	<u>473,566,083</u>	<u>447,101,246</u>
Other Loans and Advances		
- Security Deposit	64,076,592	71,904,316
- Service Tax Credit Receivable	17,852,562	43,289,051
- Prepaid Expenses	123,126,930	106,374,953
- Advance to Employees		
- Considered Good	5,374,122	12,362,133
- Considered Doubtful	2,752,883	-
Less: Allowance for Doubtful Loans and Advances	(2,752,883)	-
	<u>5,374,122</u>	<u>12,362,133</u>
	<u>730,794,805</u>	<u>709,481,424</u>
<b>22 Other Current Assets</b> (Unsecured, Considered good)	As at December 31, 2013	As at December 31, 2012
Interest Accrued on Deposits	2,551,574	3,033,952
Accrued Revenue	222,980,902	233,563,468
	<u>225,532,476</u>	<u>236,597,420</u>

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

<b>23 Contingent Liabilities</b>	As at December 31, 2013	As at December 31, 2012
Contingent Liabilities		
(i) Claims against the Company not acknowledged as debts:		
- Demand from Bombay Electricity Supply and Transport (BEST) for Electricity charges	1,961,083	1,961,083
- Disputed claims made by clients	2,633,519	2,633,519
(ii) Disputed Income Tax demands	24,202,876	47,097,990
(iii) Disputed Service Tax demands #	3,140,439,678	2,055,698,792
(iv) Disputed Demand for increase in rent raised by Brihanmumbai Municipal Corporation	53,750,060	49,615,440

**Notes:**

Future cash outflows in respect of (i) to (iv) above are determinable only on receipt of judgments/decisions pending with various forums/authorities.

# Disputed Service Tax demands include matters in respect of Outbound Tours to the extent of ₹ 3,093,295,602. In this respect, the Central Excise Service Tax Appellate Tribunal, New Delhi, vide its order dated December 10, 2013, in case of the Company's wholly owned subsidiary, Travel Corporation (India) Limited, has ruled that Service Tax is not applicable on Outbound Tours to the extent that services are rendered abroad.

The said order is expected to hold good for the litigation of the aforesaid issue of Service Tax on Outbound tours in case of the Company, currently amounting to ₹ 3,093,295,602.

<b>24 Capital Commitments</b>	As at December 31, 2013	As at December 31, 2012
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for	11,879,274	2,216,443

<b>25 Proposed Dividend</b>	As at December 31, 2013	As at December 31, 2012
The Final Dividend Proposed for the year is as follows:		
On Equity Shares of ₹ 1 each		
Amount of Dividend Proposed	92,880,336	79,934,510
Dividend per Equity Share (% of Face Value)	37.50%	37.50%
On Preference Shares 'Class B' of ₹ 10 each		
Amount of Dividend Proposed	32	32
Dividend per Preference Share (% of Face Value)	0.001%	0.001%
On Preference Shares 'Class c' of ₹ 10 each		
Amount of Dividend Proposed	27	27
Dividend per Preference Share (% of Face Value)	0.001%	0.001%



## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

<b>26 Revenue from Operations</b>	Year ended December 31, 2013	Year ended December 31, 2012
Sale of Services	3,613,991,360	3,627,603,937
Other Operating Revenue		
Education and Training Revenue	26,466,147	13,343,000
Liabilities no longer required written back	140,573,937	130,348,234
	<u>3,781,031,444</u>	<u>3,771,295,171</u>
<b>27 Other Income</b>	Year ended December 31, 2013	Year ended December 31, 2012
Interest Income		
On Deposit	21,519,732	8,122,993
On Others	1,592,822	58,263
On Income Tax Refund	6,745,402	51,050,108
Dividend Income from Investments	4,341,767	3,507,898
Exchange Variation (Net) other than in the normal course of business as an Authorised Foreign Exchange Dealer	14,958,212	10,996,314
Facilities and Support Services Fees	1,200,000	7,500,000
Miscellaneous Income	4,650,845	11,095,753
	<u>55,008,780</u>	<u>92,331,329</u>
<b>28 Employee Benefits Expenses</b>	Year ended December 31, 2013	Year ended December 31, 2012
Salaries, Wages and Bonus	1,211,566,116	1,197,425,916
Contribution to Provident and Other Funds	63,158,933	55,156,842
Provision for Gratuity-cum-Life Assurance Policy	13,677,884	16,584,153
Expense / (Write back) on Employees Stock Option Schemes (Net)	6,633,536	(2,516,980)
Staff Welfare Expenses	63,827,886	75,509,517
Staff Training, Recruitment and Other Costs	10,440,228	24,127,819
Incentive / Commission to Staff and Directors	109,657,873	115,307,040
	<u>1,478,962,456</u>	<u>1,481,594,307</u>
<b>29 Finance Costs</b>	Year ended December 31, 2013	Year ended December 31, 2012
Interest expense	160,626,439	194,045,763
Other Finance Charges	186,899,915	106,442,262
	<u>347,526,354</u>	<u>300,488,025</u>
<b>30 Depreciation and Amortisation Expenses</b>	Year ended December 31, 2013	Year ended December 31, 2012
Depreciation on Tangible Assets	57,857,223	57,079,686
Amortisation on Intangible Assets	54,012,479	60,102,401
	<u>111,869,702</u>	<u>117,182,087</u>

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

31 Other Expenses	Year ended December 31, 2013	Year ended December 31, 2012
Rent	185,901,422	202,239,096
Electricity	49,291,383	44,556,372
Repairs to Buildings	1,209,991	661,070
Repairs to Others	108,069,862	120,067,377
Insurance	10,468,420	11,381,503
Rates and Taxes	7,877,307	11,666,106
Licence Fees	25,316,857	21,586,220
Security Services	38,301,419	33,186,116
Travelling and Conveyance	113,855,472	99,204,909
Vehicle Running and Maintenance	12,069,079	18,844,029
Directors' Sitting Fees	1,514,368	1,700,459
Legal and Professional Charges #	229,035,149	151,823,990
Printing and Stationery	24,307,011	26,046,422
Postage, Telegrams and Telephones	103,870,647	126,166,624
Freight Currency Shipment	35,088,110	33,229,219
Loss on sale of Fixed Assets (Net)	9,526,021	6,629,223
Provision for Diminution in the value of Long Term Investments	133	15
Bad Debts and Advances written off	516,023	33,866,176
Provision for Doubtful Debts and Advances (Net)	38,728,283	27,618,093
Donations	515,000	30,000
Miscellaneous Expenses	39,368,359	37,666,246
	<u>1,034,830,316</u>	<u>1,008,169,265</u>

# Legal and Professional Charges include payment to Auditors:

	Year ended December 31, 2013	Year ended December 31, 2012
a) As auditor		
i Statutory Audit	5,000,000	4,500,000
ii Reports under the provisions of the Income-tax Act, 1961	2,750,000	2,750,000
iii Miscellaneous Reports	3,010,000	95,000
iv For reimbursement of expenses	176,400	161,700
v Branch Audit	-	232,782
	<u>10,936,400</u>	<u>7,739,482</u>

b) In addition to the above, ₹ 4,998,400 has been paid towards IPP related certification. The same forms part of IPP expenses and has been adjusted against Securities Premium Account balance.

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

<b>32 Earnings and Expenditure in Foreign Currency</b>	Year ended December 31, 2013	Year ended December 31, 2012
(a) Expenditure in Foreign Currency (Other than in the normal course of the business as authorised foreign exchange dealers)		
Interest and Bank Charges	67,519,114	43,658,698
Professional Fees	556,400	2,489,283
Travelling, Subscription and Others	14,989,960	27,009,503
Licence fees	-	14,461,220
(b) Remittance of Dividend to Non-resident Shareholders		
Number of Shareholders	1*	2**
Number of Equity Shares held	185,653,725	163,471,449
Amount remitted	69,620,147	61,301,793
Year to which the dividend related	December 31, 2012	December 31, 2011
* Fairbridge Capital (Mauritius) Limited		
** TCIM Limited, UK & Thomas Cook UK Limited		
(c) 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	238,577,120	382,321,355
Commission on Travellers Cheques	36,236,864	33,666,253
Prepaid Card Anniversary Bonus	36,690,000	36,690,000
Interest Income from Foreign Currency Deposit	5,631,513	954,872
Incentive on Prepaid Card sales	92,448,420	8,311,693
Dividend Income	29,563	25,727
<b>33 Earnings Per Share (EPS)</b>	Year ended December 31, 2013	Year ended December 31, 2012
The components of Basic and Diluted Earnings Per Share are as follows:		
(a) Net Profit available to Equity Shareholders *	461,248,963	492,063,445
(b) Weighted average number of Outstanding Equity Shares		
Considered for Basic EPS	235,712,356	212,734,691
Add: Effect of Conversion of Preference Shares [Refer Note 3. (f)]	5,140,000	5,915,650
Add: Effect of Dilutive Issue of Stock Options	4,912,971	517,447
Considered for Diluted EPS	<u>245,765,327</u>	<u>219,167,788</u>
(c) Earnings Per Share in ₹		
Basic	1.96	2.31
Diluted	1.91	2.26
(Nominal Value per Share ₹ 1/- each)		

\* Dividend amounting to ₹ 69 (Previous Year ₹ 69) (including Dividend Distribution Tax) on Preference Shares outstanding during the year has been considered in determining the Earning per Share for the year ended December 31, 2013.

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

### 34 Employees Stock Option Schemes

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

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

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

The objectives of this plan are :

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

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

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

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

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

SAYE allows employees to save a part of their net pay every month which gets deposited with a bank in a recurring deposit account carrying fixed rate of interest. At the end of 3 years, employees have the option to either purchase specific number of equity shares of Thomas Cook (India) Limited at the predetermined exercise price or withdraw the monthly savings contributions along with interest accrued.

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

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

#### Thomas Cook Employees Stock Option Plan -2013

The Company has established an Employee Stock Option Plan called -"Thomas Cook Employees Stock Option Plan - 2013". The same has been approved by a Special Resolution passed by the Shareholders by a Postal Ballot on October 25, 2013.

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

The objectives of this plan are :

- (a) to reward the Senior Employees of the Company for their performance
- (b) to motivate them to contribute to the growth and profitability of the Company and
- (c) to retain talent in the organization

The grant of options to employees under the stock option scheme is on the basis of their performance and other eligibility criteria. Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The unvested options shall vest with the participant after 4 years but not later than 7 years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and certain performance parameters. The attainment of such performance parameters would be a mandatory condition for vesting of options as determined by the Recruitment & Remuneration Committee from time to time.

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

Following are the details of Options granted under these Schemes as on December 31, 2013 :

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)	July 25, 2007	July 10, 2008	Mar 20, 2009	May 27, 2010	Dec 14, 2010
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 (₹ Per Share)	61.89	77.62	30.31	52.74	50.40
No. of Options Granted and Accepted	1,104,125	1,240,000	2,068,725	991,313	1,042,771
No. of Options Yet to be Vested	-	-	-	-	499,562
No. of Options Vested and Exercisable	239,000	290,500	397,213	417,063	-
No. of Options Exercised	113,540	-	1,263,352	175,474	-
No. of Options Lapsed/ Cancelled/Forfeited	751,585	949,500	408,160	398,776	543,209
Total No. of options In force (Vested and yet to be Vested)	239,000	290,500	397,213	417,063	499,562

Particulars	Grant Registration		
	GT 17 Feb 2011 February 17, 2011	GT 05 Sep 2013 September 5, 2013	GT 05 Dec 2013 December 5, 2013
Pricing Formula	90% of the closing market price on the stock exchange where higher number of shares are traded		Exercise price shall be equal to face value of shares i.e. ₹ 1 per option
Exercise Price (₹ Per Share)	47.57	49.32	1.00
No. of Options Granted and Accepted	1,397,825	1,054,000	4,202,438
No. of Options Yet to be Vested	150,019	1,054,000	4,202,438
No. of Options Vested and Exercisable	258,306	-	-
No. of Options Exercised	315,896	-	-
No. of Options Lapsed/ Cancelled/Forfeited	673,604	-	-
Total No. of options In force (Vested and yet to be Vested)	408,325	1,054,000	4,202,438

During the year ended December 31, 2013, a total of 142,597 (*Previous Year - 1,151,332*) 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 247,680,897 shares.

The Company has granted share options under the Company's Employees Stock Option Plan and share options outstanding as at December 31, 2013 are 7,508,101 (*Previous Year - 3,042,009*). Of these 3,973 (*Previous Year - 58,140*) option have vested in 2008, 214,347 (*Previous Year - 330,180*) have vested in 2009, 197,680 (*Previous Year - 330,180*) have vested in 2010, 102,205 (*Previous Year - 180,539*) have vested in 2011, 741,862 (*Previous Year - 748,701*) have vested in 2012, 342,015 (*Previous Year - 1,116,997*) have vested in 2013, 1,000,915 (*Previous Year - 277,272*) will vest in 2014, 351,334 (*Previous Year - Nil*) will vest in 2015, 351,332 (*Previous Year - Nil*) will vest in 2016 and 4,202,438 (*Previous Year - Nil*) will vest after 2017 but not later than 2020.

### 35 Effect of Employees Stock Option Schemes on the Balance Sheet and Statement of Profit and Loss:

	Year ended December 31, 2013	Year ended December 31, 2012
Expense / (Write Back) arising from Employees Stock Option Schemes (Net) [Refer Note 28]	6,633,536	(2,516,980)
Share Options Outstanding Account [Refer Note 4]	17,418,891	11,409,117

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

### 36 Employee Benefit Plans

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

	Year ended December 31, 2013	Year ended December 31, 2012
(a) Defined Contribution Plans		
The Company has recognised the following amounts in Statement of Profit and Loss for the year:		
Contribution to Employees' State Insurance	2,256,515	3,125,763
Contribution to Maharashtra Labour Welfare Fund	50,124	45,670
Superannuation Contribution	4,879,764	4,740,488
Contribution Plans (Branch outside India)*	-	447,897
	<u>7,186,403</u>	<u>8,359,818</u>

\* Branch outside India makes contributions to the plans regulated by the Local Government Authorities. The liability of the respective entity is limited to the extent of the contributions made by it to the authorities.

#### (b) Defined Benefit Plans

The disclosures in respect of Gratuity and Provident Fund, defined benefit schemes (based on Actuarial Valuation) are as follows -  
This does not include charge of ₹ Nil (*Previous Year ₹ 16,555*) in respect of Sri Lanka branch.

	Gratuity		Provident Fund
	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2013
(i) The Following table sets forth the funded status of Gratuity and Provident Fund benefit plans, during the year ended December 31, 2013:-			
Present Value of Funded Obligations	97,293,038	90,944,585	535,945,370
Fair Value of Plan Assets	(90,294,044)	(84,343,518)	(534,134,851)
Present Value of Unfunded Obligations	-	-	-
Unrecognised Past Service Cost	-	-	-
Amount not Recognised as an Asset	-	-	-
Net Liability	<u>6,998,994</u>	<u>6,601,067</u>	<u>1,810,519</u>
Amounts in Balance Sheet			
Liability	6,998,994	6,601,067	1,810,519
Assets	-	-	-
Net Liability is bifurcated as follows:			
Current	-	-	-
Non Current	6,998,994	6,601,067	1,810,519
Net Liability	<u>6,998,994</u>	<u>6,601,067</u>	<u>1,810,519</u>
(ii) The amount recognised in the Statement of Profit and Loss are as follows:-			
Current Service Cost	13,022,228	10,582,845	37,717,571
Interest Cost	8,063,220	7,063,699	39,814,837
Expected return on Plan Assets	(6,744,198)	(5,399,868)	(42,886,764)
Net Actuarial (Gains) / Losses Recognised in the year	(663,366)	4,320,922	4,882,446
Past Service Cost	-	-	-
Losses / (Gains) on Curtailments and Settlements	-	-	-
Losses / (Gains) on Acquisition and Divestiture	-	-	-
Total Expense	<u>13,677,884</u>	<u>16,567,598</u>	<u>39,528,090</u>
Actual Return on Plan Assets	<u>8,355,505</u>	<u>7,054,223</u>	<u>35,280,799</u>



## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

	Gratuity		Provident Fund
	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2013
(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	90,944,585	76,862,214	503,062,618
Current Service Cost	13,022,228	10,582,845	37,717,571
Interest Cost	8,063,220	7,063,699	39,814,837
Actuarial Losses / (Gains)	947,941	5,975,277	(2,723,519)
Employees Contribution	-	-	63,735,500
Past Service Cost	-	-	-
Actuarial Losses / (Gain) due to Curtailment	-	-	-
Liabilities Extinguished on Settlement	-	-	-
Liabilities (Settled on Divestiture)	-	-	(7,183,661)
Exchange Difference on Foreign Plans	-	-	-
Benefits Paid	(15,684,936)	(9,539,450)	(98,477,976)
Defined Benefit Obligation at year end	97,293,038	90,944,585	535,945,370
(iv) Change in Fair Value of Plan Assets			
Fair Value of Plan Assets at beginning of year	84,343,518	66,826,937	503,062,618
Expected Return on Plan Assets	6,744,198	5,399,868	42,886,764
Actuarial Gains / (Losses)	1,611,307	1,654,355	(7,605,965)
Assets Distributed on Settlements	-	-	-
Contributions by Employer	14,880,363	20,001,808	37,717,571
Contributions by Employee	-	-	63,735,500
Assets (Distributed on Divestiture)	(1,600,406)	-	(7,183,661)
Exchange Difference on Foreign Plans	-	-	-
Benefits Paid	(15,684,936)	(9,539,450)	(98,477,976)
Fair Value of Plan Assets at year end	90,294,044	84,343,518	534,134,851
Expected Employer's Contribution Next Year	20,000,000	20,000,000	39,980,625
(v) The major categories of plan assets as a percentage of fair value of total plan assets:-			
Insurer (LIC) Managed Funds	100.00%	100.00%	-
Government of India Securities	-	-	39.00%
Corporate Bonds	-	-	43.00%
Special Deposit Schemes	-	-	12.00%
Others	-	-	6.00%

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

	Gratuity		Provident Fund
	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2013
(vi) Principal Actuarial Assumptions as at the balance sheet date:			
Discount Rate (p.a.)*	9.05%	8.10%	9.05%
Expected Rate of Return on Assets (p.a.)**	7.50%	7.50%	8.44%
Salary Escalation Rate (p.a.)***	6.00%	6.00%	-
Discount Rate for remaining term to maturity of investment (p.a.)	-	-	9.14%
Average Historic Yield on the Investment (p.a.)	-	-	8.53%
Guaranteed Rate of Return (p.a.)	-	-	8.75%

\* 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

	Gratuity					Provident Fund
	Year Ended					
	31-Dec-13	31-Dec-12	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-13
Defined Benefit Obligation	97,293,038	90,944,585	76,862,214	68,466,008	64,735,159	535,945,370
Plan Assets	90,294,044	84,343,518	66,826,937	54,872,181	45,132,049	534,134,851
Surplus / (Deficit)	(6,998,994)	(6,601,067)	(10,035,277)	(13,593,827)	(19,603,110)	(1,810,519)
Experience Adjustments on plan Liabilities	9,359,620	2,522,115	5,215,789	(725,302)	(7,955,266)	(4,534,038)
Experience Adjustments on plan Assets	1,611,307	1,654,355	1,778,077	806,566	715,455	(7,605,965)

The Guidance Note on Implementing AS 15, 'Employee Benefits' issued by the Accounting Standard Board (ASB) of the Institute of Chartered Accountants of India states that Provident Funds set up by employers that guarantee a specified rate of return and which require interest shortfall to be met by the employer would be defined benefit plans in accordance with the requirements of paragraph 26(b) of AS 15. The current year is the first year in which the actuary has given the detailed disclosures in the actuarial valuation report, in view of the issuance of the Guidance Note by the Institute of Actuaries of India. Accordingly, the disclosure requirements of paragraph 120(n) of AS 15: Employee Benefits have been complied with prospectively from this year onwards.

37 Leases	Year ended December 31, 2013	Year ended December 31, 2012
(A) Finance Leases		
(i) Minimum Lease Payments payable		
- Not later than one year	9,324,427	12,559,584
- Later than one year but not later than five years	13,763,490	25,412,591
	<u>23,087,917</u>	<u>37,972,175</u>
(ii) Present Value of Minimum Lease Payments payable		
- Not later than one year	7,373,519	9,228,672
- Later than one year but not later than five years	12,423,522	22,230,756
	<u>19,797,041</u>	<u>31,459,428</u>
(iii) Reconciliation of Minimum Lease Payments and their Present Value		
- Minimum Lease Payments Payable as per (i) above	23,087,917	37,972,175
- Less: Finance Charges to be recognised in subsequent years	3,290,876	6,512,747
- Present Value of Minimum Lease Payments payable as per (ii) above	19,797,041	31,459,428
	<u>3,673,816</u>	<u>4,005,260</u>
(iv) Finance Charges recognised in the Statement of Profit and Loss	3,673,816	4,005,260

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

37 Leases	Year ended December 31, 2013	Year ended December 31, 2012
(B) Operating Leases		
Disclosures in respect of cancellable agreements for office and residential premises taken on lease		
(i) Lease payments recognised in the Statement of Profit and Loss	188,781,093	218,412,313
(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	9,008,853	15,341,557
- Later than one year and not later than five years	4,154,220	2,987,163

### 38 Related Party Disclosures

(A) Enterprises where control exists	
(i) Holding Company	Fairbridge Capital (Mauritius) Limited, Mauritius holds 74.96% of Equity Shares of the Company. Fairbridge Capital (Mauritius) Limited is a step down subsidiary of Fairfax Financial Holdings Limited, Canada the Ultimate Holding Company.
(ii) Subsidiary Companies	Travel Corporation (India) Limited Thomas Cook Insurance Services (India) Limited Indian Horizon Travel and Tours Limited Thomas Cook Tours Limited TC Visa Services (India) Limited Thomas Cook (Mauritius) Holding Company Limited Thomas Cook (Mauritius) Operations Company Limited Thomas Cook (Mauritius) Holidays Limited Thomas Cook (Mauritius) Travel Limited Thomas Cook Lanka (Private) Limited (w.e.f August 1, 2012) IKYA Human Capital Solutions Limited (w.e.f May 14, 2013) Avon Facility Management Services Limited (w.e.f May 14, 2013) Magna Infotech Limited (w.e.f May 14, 2013) CoAchieve Solutions Private Limited (w.e.f May 14, 2013) Magna IKYA Infotech Inc. (w.e.f May 28, 2013)
(B) Other Related Parties with whom the Company had transactions during the year	
(i) Fellow Subsidiaries	Fairfax (Barbados) International Corp.
(ii) Key Management Personnel	Madhavan Menon R. R. Kenkare Debasis Nandy Mahesh Iyer Rajeev Kale Amit Madhan Madhav Pai (upto July 15, 2013) Ambreesh Mahajan (upto December 16, 2013) Vinayak K. Purohit (upto August 17, 2012) Rakshit Desai (upto July 16, 2012)
(iii) Relatives of Key Management Personnel	Lili Menon

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

(C) Disclosure of transactions between the Company and Related Parties mentioned above and outstanding balances as at the year end:

	Year ended December 31, 2013	Year ended December 31, 2012
(i) Holding Company		
Reimbursement of Expenses (Net)		
Fairfax Financials Holdings Limited	18,433,534	-
Thomas Cook UK Limited (upto August 14, 2012)	-	1,977,380
Reimbursement of acquisition related expenses		
Fairbridge Capital (Mauritius) Limited	1,571,537	-
License Fees		
Thomas Cook UK Limited (upto August 14, 2012)	-	14,461,220
Dividend remitted		
Fairbridge Capital (Mauritius) Limited	69,620,147	-
TCIM Limited, UK	-	44,296,875
Thomas Cook UK Limited	-	17,004,918
Balances as at the year end -		
Outstanding Receivables		
Fairfax Financials Holdings Limited	1,308,501	-
(ii) Subsidiary Companies		
Reimbursement of Expenses (Net)		
Travel Corporation (India) Limited	28,051,185	22,082,751
Indian Horizon Travel and Tours Limited	19,874	17,426
Thomas Cook Tours Limited	19,884	17,456
Thomas Cook (Mauritius) Operations Company Limited	830,861	2,560,220
TC Visa Services (India) Limited	36,577,686	-
Thomas Cook Lanka (Private) Limited	520,583	-
IKYA Human Capital Solutions Limited (w.e.f. May 14, 2013)	33,517	-
Sale of Services*		
Thomas Cook (Mauritius) Holidays Limited	2,195,584	3,840,502
IKYA Human Capital Solutions Limited (w.e.f. May 14, 2013)	2,745,017	-
Facilities and Support Services Provided		
Thomas Cook Insurance Services (India) Limited	1,200,000	7,500,000
TC Visa Services (India) Limited	1,440,000	-
Facilities and Support Services Received		
TC Visa Services (India) Limited	975,600	-
Services Availed #		
Thomas Cook (Mauritius) Holidays Limited	75,881,245	50,204,892
TC Visa Services (India) Limited	40,825,695	-
Other professional charges (Outsourced staff)		
IKYA Human Capital Solutions Limited (w.e.f. May 14, 2013)	18,130,772	-
Avon Facility Management Services Limited (w.e.f May 14, 2013)	6,239,589	-
Balances as at the year end -		
Outstanding Receivables		
Thomas Cook Insurance Services (India) Limited	10,726,113	8,765,337
Indian Horizon Travel and Tours Limited	3,483	29,426
Thomas Cook Tours Limited	3,483	29,456

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

	Year ended December 31, 2013	Year ended December 31, 2012
Thomas Cook (Mauritius) Operations Company Limited	-	796,351
Thomas Cook Lanka (Private) Limited	19,309,737	18,829,153
TC Visa Services (India) Limited	15,413,681	-
Advance against Investment in Thomas Cook Lanka (Private) Limited	31,658,781	31,658,781
Outstanding Payables		
Thomas Cook (Mauritius) Holidays Limited	15,831,783	5,463,566
TC Visa Services (India) Limited	431,046	-
Travel Corporation (India) Limited	26,839,817	45,613,462
IKYA Human Capital Solutions Limited (w.e.f. May 14, 2013)	741,086	-
Avon Facility Management Services Limited (w.e.f May 14, 2013)	2,746,270	-
(iii) Fellow Subsidiaries		
Reimbursement of acquisition related expenses		
Fairfax (Barbados) International Corp.	639,150	-
Sale of Services*		
Thomas Cook Tour Operations Limited, UK (upto August 14, 2012)	-	188,633,410
Thomas Cook Signature (upto August 14, 2012)	-	12,482,857
Services Availed #		
Thomas Cook Overseas Limited, Egypt (upto August 14, 2012)	-	6,310,306
*Sale value of transactions		
# Purchase value of transactions		
(iv) Key Management Personnel		
Remuneration @		
Madhavan Menon	37,046,427	20,914,758
R. R. Kenkare	11,282,262	10,554,463
Debasis Nandy	12,436,609	3,154,658
Mahesh Iyer	7,653,452	-
Rajeev Kale	9,601,443	-
Amit Madhan	7,968,085	-
Ambreesh Mahajan	15,953,721	1,254,355
Madhav Pai	9,089,690	4,313,399
Vinayak K. Purohit	2,504,611	17,455,087
Rakshit Desai	1,828,732	31,313,277
Dr. D. Prasanth Nair	-	4,022,147
Amitabh Pandey	-	6,858,073
	<u>115,365,032</u>	<u>99,840,217</u>
@ Gratuity is contributed for the Company as a whole and hence excluded.		
(v) Relatives of Key Management Personnel		
Rent Expense		
Lili Menon	1,926,000	1,926,000
Balances as at the year end -		
Deposit Receivable		
Lili Menon	16,500,000	16,500,000

## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

### 39 Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at December 31, 2013. 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.

### 40 Derivative Instruments

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

The forward exchange contracts outstanding as at December 31, 2013 are as under:

	Currency Exchange	AUD/USD	CAD/USD	CHF/USD	EUR/USD	GBP/USD	USD/INR
(i)	Number of 'buy' contracts	3 (2)	- (1)	- (-)	2 (1)	- (-)	2 (1)
(ii)	Aggregate Amount (₹)	135,106,383 (49,939,483)	- (5,526,000)	- (-)	722,683,977 (30,817,813)	- (-)	888,538,000 (27,497,500)
(iii)	Number of 'sale' contracts	2 (7)	1 (2)	3 (3)	6 (22)	3 (17)	8 (25)
(iv)	Aggregate Amount (₹)	46,920,000 (62,780,233)	26,149,500 (45,589,500)	38,995,400 (27,031,862)	59,696,000 (163,176,478)	56,219,000 (253,436,638)	232,255,125 (1,240,137,250)

(figures in brackets pertain to year ended December 31, 2012)

	Currency Exchange	JPY/USD	NZD/USD	SGD/USD	THB/USD
(i)	Number of 'buy' contracts	- (-)	2 (1)	4 (2)	3 (3)
(ii)	Aggregate Amount (₹)	- (-)	12,659,169 (4,521,250)	26,905,886 (27,015,000)	5,291,417 (11,129,000)
(iii)	Number of 'sale' contracts	4 (6)	- (1)	2 (2)	1 (2)
(iv)	Aggregate Amount (₹)	29,836,150 (35,791,476)	- (15,824,375)	34,243,000 (54,034,310)	1,319,430 (11,129,000)

(figures in brackets pertain to year ended December 31, 2012)

### 41 Institutional Placement Programme Issue

The Company issued and allotted 34,379,606 equity shares for cash at a price of ₹ 53.50 per equity share (including securities premium of ₹ 52.50 per equity share) aggregating to ₹ 1,839,308,921 by way of an IPP, on May 7, 2013, under Chapter VIII-A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, with the conditions prescribed by SEBI, vide its letters dated March 8, 2013 and April 15, 2013. Upon issue of equity shares under the IPP on May 7, 2013, the promoter, Fairbridge Capital (Mauritius) Limited's shareholding in Thomas Cook (India) Limited has reduced from 87.1% to 74.96% currently, in line with Clause 40A(ii)(d) of the Equity Listing Agreement.

The IPP Issue proceeds utilisation is as follows :-

	Particulars	Amount in ₹	Amount in ₹
<b>Inflow</b>	IPP issue proceeds	-	1,839,308,921
<b>Outflow</b>	IPP issue expenses	59,777,494	
	Working capital requirements	212,221,130	
	Acquisition of 74.85 % stake on fully diluted basis in IKYA	1,567,310,297	1,839,308,921



## Notes forming part of the Financial Statements as at and for the year ended December 31, 2013

### 42 Acquisition of IKYA

On May 14, 2013, the Company acquired 74.85% equity stake on a fully diluted basis in IKYA comprising of 7,525,914 Equity Shares of ₹ 10 each fully paid-up, 3,529,672 0.005% Mandatorily Convertible Preference Shares of ₹ 40 each fully paid-up (Tranche I), 1,873,333 0.005% Mandatorily Convertible Preference Shares of ₹ 15 each fully paid-up (Tranche II) and 7,717,912 0.001% Mandatorily Convertible Preference Shares of ₹ 100 each fully paid-up for a total consideration of ₹ 2,563,185,705. On October 18, 2013, Tranche I and Tranche II Preference Shares were converted into fully paid up 5,403,005 Equity Shares of ₹ 10 each. Accordingly, 12,928,919 fully paid-up Equity Shares of ₹ 10 each and 7,717,912 fully paid-up Mandatorily Convertible Preference Shares of ₹ 100 each are held in IKYA representing 77.29% of the total Paid up Capital as at the Balance Sheet date. Expenses related to the acquisition amounted to ₹ 29,309,091 and have been included in the cost of the Equity Shares held as at the Balance Sheet date.

### 43 Merger of Sterling Holiday Resorts (India) Limited

The Board of Directors of the Company, Thomas Cook Insurance Services (India) Limited ("TCISIL") & Sterling Holiday Resorts (India) Limited ("Sterling") have at their meetings held on February 7, 2014 approved a composite scheme of arrangement and amalgamation pursuant to which there will be: (i) a demerger of the resort and timeshare business from Sterling to TCISIL, and (ii) amalgamation of residual Sterling into the Company. Pursuant to the scheme, (i) 116 equity shares of the Company will be issued to the shareholders of Sterling for every 100 equity shares held in Sterling in consideration of the demerger of the resort and timeshare business of Sterling from Sterling to TCISIL; and (ii) 4 equity shares of the Company will be issued to the shareholders of Sterling for every 100 equity shares held in Sterling in consideration of the amalgamation of residual Sterling into the Company.

Further, the Company has agreed to subscribe to 36,000,000 equity shares of Thomas Cook Insurance Services (India) Limited, a wholly owned subsidiary of the Company, having face value of ₹ 10 each for an aggregate consideration of ₹ 7,200,000,000 at a premium of ₹ 190 per share. TCISIL will be using such funds for acquisition of shares of Sterling, including as follows: (i) subscription to 20,650,000 equity shares of Sterling, (ii) purchase of upto 18,007,677 equity shares of Sterling from certain existing shareholders, and (iii) an open offer for 26% of the diluted share capital of Sterling, in terms of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

In order to partly fund the investment proposed to be made by TCISIL in Sterling, the parent of the Company, being Fairbridge Capital (Mauritius) Limited has agreed to subscribe to compulsorily convertible preference shares to comply with the provisions of the FDI Policy, subject to receipt of applicable approvals and consents. Accordingly, the Company has proposed to create, offer, issue and allot in one or more tranches, on private placement and/or preferential basis, up to 6,250,000 compulsorily convertible preference shares of ₹ 10 each (CCPS) at a price of ₹ 800 each which includes a premium of ₹ 790 per CCPS of the Company, each such CCPS being convertible into 10 equity shares of the Company having face value of ₹ 1 each to Fairbridge Capital (Mauritius) Limited.

All of the aforesaid transactions are subject to conditions precedent and regulatory approvals, as deemed necessary.

- 44 As reported, employees of the Company and other parties misappropriated assets aggregating to ₹ 9,899,598 during the year. The Company has recovered ₹ 2,055,466 so far. The cases are under investigation and the Company has taken steps for recovering the balance amount.
- 45 Previous year figures have been reclassified to conform to this year's classification.

In terms of our report of even date

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

NAGNATH V PAI  
Partner  
Membership No. 036134

Mumbai, February 19, 2014

For and on behalf of the Board

MAHENDRA KUMAR SHARMA – Chairman  
MADHAVAN MENON – Managing Director  
R. R. KENKARE – President & Head - Legal & Company Secretary  
DEBASIS NANDY – President & Chief Financial Officer

Mumbai, February 19, 2014

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

## INDEPENDENT AUDITORS' REPORT

### To the Board of Directors of Thomas Cook (India) Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Thomas Cook (India) Limited ("the Company") and its subsidiaries; hereinafter referred to as the "Group" (refer Note 2 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at December 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

### Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated 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 the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements notified under the Companies Act, 1956 of India (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

7. 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 in paragraphs 8 and 9 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying 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 December 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

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

- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

## Other Matters

8. We did not audit the financial statements of five subsidiaries included in the consolidated financial statements, which constitute total assets of ₹ 3,949,691,534 and net assets of ₹ 608,671,433 as at December 31, 2013, total revenue of ₹ 8,557,416,859, net profit of ₹ 176,422,354 and net cash flows amounting to ₹ 112,375,021 for the period then ended. These

financial statements and other financial information have been audited by other auditors whose report has 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.

9. We did not audit the financial statements of five subsidiaries which constitute total assets of ₹ 469,654,555 and net assets of ₹ 349,687,825 as at December 31, 2013, total revenue of ₹ 242,790,024, net profit of ₹ 10,539,059 and net cash flows amounting to ₹ (891,741) for the period then ended.

The unaudited financial information has been provided to us by the management, and our opinion on the consolidated financial statements to the extent they relate to these subsidiaries is based solely on such unaudited financial information furnished to us.

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

NAGNATH V PAI  
Partner  
Membership Number. 036134

Mumbai  
February 19, 2014

# Consolidated Balance Sheet

## as at December 31, 2013

	Note	Amount in Rupees	
		As at December 31, 2013	As at December 31, 2012
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share Capital	4	253,596,547	219,074,344
Reserves and Surplus	5	6,634,548,878	4,165,153,491
		<u>6,888,145,425</u>	<u>4,384,227,835</u>
Minority Interest		459,823,074	-
Non - current Liabilities			
Long - term Borrowings	6	1,046,660,220	24,927,715
Other Long - term Liabilities	7	203,829,403	226,184,310
Long - term Provisions	8	23,368,760	10,852,463
Deferred Tax Liabilities (Net)	9	16,422,062	60,283,710
Current Liabilities			
Short - term Borrowings	10	755,773,739	1,837,665,493
Trade Payables	11	2,783,502,505	1,487,041,546
Other Current Liabilities	12	2,929,746,000	1,428,727,366
Short - term Provisions	13	122,958,624	92,915,707
	Total	<u>15,230,229,812</u>	<u>9,552,826,145</u>
<b>ASSETS</b>			
Non-current Assets			
Fixed Assets			
Tangible Assets	14 (a)	903,178,536	869,878,859
Intangible Assets	14 (b)	3,846,720,384	1,572,730,240
Capital Work - in - Progress		11,644,680	2,158,755
Intangible Assets Under Development		36,227,131	26,026,141
Non - current Investments	15	964,320	964,454
Long - term Loans and Advances	16	1,027,093,438	530,282,050
Other Non - current Assets	17	195,043,376	165,597,978
Current Assets			
Current Investments	18	2,080,014,668	1,096,565,506
Inventories		4,425,263	-
Trade Receivables	19	3,300,928,110	2,105,090,824
Cash and Bank Balances	20	1,595,826,357	2,077,056,802
Short - term Loans and Advances	21	1,138,587,070	824,656,719
Other Current Assets	22	1,089,576,479	281,817,817
	Total	<u>15,230,229,812</u>	<u>9,552,826,145</u>
Summary of Significant Accounting Policies	3		
Contingent Liabilities, Capital Commitments	23, 24		

The notes are an integral part of these Financial Statements.

In terms of our report of even date

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

NAGNATH V PAI  
Partner  
Membership No. 036134

For and on behalf of the Board

MAHENDRA KUMAR SHARMA – Chairman  
MADHAVAN MENON – Managing Director  
R. R. KENKARE – President & Head - Legal & Company Secretary  
DEBASIS NANDY – President & Chief Financial Officer

Mumbai, February 19, 2014

Mumbai, February 19, 2014

## Consolidated Statement of Profit and Loss for the year ended December 31, 2013

Amount in Rupees

	Note	Year ended December 31, 2013	Year ended December 31, 2012
<b>Revenue</b>			
Revenue from Operations	26	12,955,646,876	4,301,918,911
Other Income	27	98,335,594	103,141,775
<b>Total Revenue</b>		<b>13,053,982,470</b>	<b>4,405,060,686</b>
<b>Expenses</b>			
Employee Benefits Expenses	28	9,515,887,104	1,755,453,821
Finance Costs	29	422,120,988	310,093,031
Depreciation and Amortisation Expenses	30	175,518,787	141,798,385
Other Expenses	31	1,747,061,050	1,192,597,609
Advertisement Expenses		170,798,860	234,275,775
<b>Total Expenses</b>		<b>12,031,386,789</b>	<b>3,634,218,621</b>
<b>Profit Before Tax</b>		<b>1,022,595,681</b>	<b>770,842,065</b>
<b>Tax Expense:</b>			
Current Tax		368,166,633	263,591,020
MAT Credit Entitlement [Refer Note 38]		(16,381,285)	(6,892,554)
Deferred Tax		(16,439,206)	9,785,766
<b>Profit After Tax and Before Minority Interest</b>		<b>687,249,539</b>	<b>504,357,833</b>
Less: Minority Interest		(65,048,947)	-
<b>Profit After Tax and Minority Interest</b>		<b>622,200,592</b>	<b>504,357,833</b>
Earning per Equity Share	32		
Basic (Face value of ₹ 1 each)		2.64	2.37
Diluted (Face value of ₹ 1 each)		2.57	2.31
Summary of Significant Accounting Policies	3		
The notes are an integral part of these Financial Statements.			

In terms of our report of even date

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

NAGNATH V PAI  
Partner  
Membership No. 036134

Mumbai, February 19, 2014

For and on behalf of the Board

MAHENDRA KUMAR SHARMA – Chairman  
MADHAVAN MENON – Managing Director  
R. R. KENKARE – President & Head - Legal & Company Secretary  
DEBASIS NANDY – President & Chief Financial Officer

Mumbai, February 19, 2014

## Consolidated Cash Flow Statement for the year ended December 31, 2013

	Amount in Rupees	
	Year ended December 31, 2013	Year ended December 31, 2012
<b>Cash Flows from Operating Activities</b>		
Profit Before Tax	1,022,595,681	770,842,065
Adjustments for :		
Interest Income	(43,998,867)	(13,085,113)
Dividend Income from Investments	(5,187,052)	(3,747,982)
Expenses / (Write back) on Employee Stock Options Schemes (Net)	6,633,536	(2,516,980)
Depreciation and Amortisation	175,518,787	141,798,385
Loss on sale of Fixed Assets (Net)	26,839,471	10,370,210
Interest on Income Tax Refund	(14,607,900)	(51,050,448)
Finance Costs	422,120,988	310,093,031
Provision for Diminution in the value of Non Current Investments	133	15
Bad Debts and Advances written off	7,751,984	48,358,684
Provision for Doubtful Debts and Advances (Net)	47,071,701	17,008,609
Operating Profit before Working Capital changes	1,644,738,462	1,228,070,476
Changes in Working Capital:		
Increase / (Decrease) in Trade Payables	1,195,694,638	(78,314,286)
(Decrease) in Provisions	(5,393,459)	(19,415,578)
(Decrease) / Increase in Other Liabilities	(160,313,224)	401,986,901
Decrease in Trade Receivables	164,528,812	122,729,701
(Increase) in Loans and Advances	(155,163,015)	(230,389,118)
(Increase) in Other Assets & Inventories	(17,727,092)	(74,605,366)
Cash generated from operations	2,666,365,122	1,350,062,730
Income Taxes Paid (Net of refunds received)	(405,374,819)	(255,997,177)
Interest on Income Tax Refund	14,607,900	51,050,448
Net cash from Operating Activities	<u>2,275,598,203</u>	<u>1,145,116,001</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of Fixed Assets	10,695,368	5,544,515
Purchase of Fixed Assets	(204,625,617)	(192,880,286)
Interest Received	37,756,600	10,463,848
Dividend Received	5,187,052	3,747,982
Purchase of Current Investments	(15,250,632,642)	(13,790,087,728)
Sale of Current Investments	14,267,183,480	13,075,270,851
Investment in Fixed deposits having maturity over three months	(123,054,053)	(156,328,673)
Investment in IKYA Human Capital Solutions Limited (IKYA)	(2,592,494,796)	-
Net cash used in Investing Activities	<u>(3,849,984,608)</u>	<u>(1,044,269,491)</u>

## Consolidated Cash Flow Statement (Contd)

### for the year ended December 31, 2013

Amount in Rupees

	Year ended December 31, 2013	Year ended December 31, 2012
<b>Cash Flows from Financing Activities</b>		
Proceeds from Issue of Equity Shares under Employee Stock Options Schemes and Institutional Placement Programme (IPP)	1,779,310,566	42,427,997
Proceeds from issue of 10.52% Non convertible Debentures	1,000,000,000	-
Dividend Paid for the Year	(92,826,921)	(79,814,489)
Tax on Dividend Paid for the Year	(16,325,921)	(12,947,913)
Repayment of Borrowings (Net)	(1,488,871,955)	(393,674,996)
(Repayment of) / Proceeds from Finance Lease Liability (Net)	(12,620,782)	10,953,909
Finance Costs Paid	(370,334,771)	(325,818,468)
Net cash from / (used in) Financing Activities	<u>798,330,216</u>	<u>(758,873,960)</u>
Effect of exchange fluctuation on translation reserve	45,909,537	9,398,195
<b>Total Decrease in Cash and Cash Equivalents during the year</b>	<b>(730,146,652)</b>	<b>(648,629,254)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>2,067,196,356</b>	<b>2,715,825,610</b>
<b>Opening Cash and Cash Equivalents of IKYA</b>	<b>141,805,193</b>	<b>-</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b><u>1,478,854,897</u></b>	<b><u>2,067,196,356</u></b>

## 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 the Companies Act, 1956 of India (the "Act") read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- Cash and cash equivalents - Refer Notes 3.10 and 20
- Previous year figures have been reclassified to conform to this year's classification.

This is the cash flow referred to in our report of even date

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

NAGNATH V PAI  
Partner  
Membership No. 036134

Mumbai, February 19, 2014

For and on behalf of the Board

MAHENDRA KUMAR SHARMA – Chairman  
MADHAVAN MENON – Managing Director  
R. R. KENKARE – President & Head - Legal & Company Secretary  
DEBASIS NANDY – President & Chief Financial Officer

Mumbai, February 19, 2014



# Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

## 1 General Information :

Thomas Cook (India) Limited and its subsidiaries (the “Group”) are engaged in diversified businesses primarily working as Authorised Foreign Exchange Dealers. The Group is also engaged in business of Travel and Related Services and Human Resource Services.

## 2 Basis of Consolidation

The consolidated financial statements of the Group are prepared in accordance with Accounting Standard (AS) - 21 on Consolidated Financial Statements, as per the Companies (Accounting Standard) Rules, 2006. All Inter-Company balances and transactions have been eliminated.

2.1 List of subsidiary companies considered in the consolidated financial statements is as follows -

<u>Name of the Company</u>	<u>Country of Incorporation</u>	<u>Proportion of Ownership</u>
Travel Corporation (India) Limited	India	100%
Thomas Cook Insurance Services (India) Limited	India	100%
Indian Horizon Travel and Tours Limited	India	100%
Thomas Cook Tours Limited	India	100%
TC Visa Services (India) Limited#	India	100%
Thomas Cook Lanka (Private) Limited	Sri Lanka	100%
Thomas Cook (Mauritius) Holding Company Limited#	Mauritius	100%
Thomas Cook (Mauritius) Operations Company Limited#	Mauritius	100%
Thomas Cook (Mauritius) Travel Limited#	Mauritius	100%
Thomas Cook (Mauritius) Holidays Limited#	Mauritius	100%
IKYA Human Capital Solutions Limited*	India	68.06%
Avon Facility Management Services Limited*	India	68.06%
Magna Infotech Limited*	India	68.06%
CoAchieve Solutions Private Limited*	India	68.06%
Magna IKYA Infotech Inc.* (Incorporated on May 28, 2013)	Philippines	68.06%

#These Companies have changed their accounting year end from September 30 to December 31. Accordingly, the current period figures represent the fifteen month period from October 1, 2012 to December 31, 2013.

\*IKYA Human Capital Solutions Limited “IKYA” and its subsidiary companies’ (Avon Facility Management Services Limited (Avon), Magna Infotech Limited (Magna), CoAchieve Solutions Private Limited and Magna IKYA Infotech Inc.) results are for the period May 14, 2013 to December 31, 2013. [ Refer Note 42 ]

2.2 The excess of cost of the Company’s 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 in the Consolidated Financial Statements. Goodwill on consolidation is not amortised.

## 3 Summary of Significant Accounting Policies :

### 3.1 Basis of Preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies Act, 1956 (the “Act”) read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### 3.2 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively.

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

### 3.3 (i) Foreign Currency Transactions

#### Initial Recognition

All foreign currency transactions are recorded at the exchange rates prevailing at the time of recording the transactions.

#### Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

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

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

Profit or loss on purchase and sale of foreign exchange by the Company in its capacity as Authorised Foreign Exchange Dealer are accounted as a part of the revenue.

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

#### Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

### (ii) Foreign Subsidiaries

All assets and liabilities are translated at closing exchange rate.

Revenue items are translated at average exchange rate.

Exchange difference arising on consolidation is recognised in the "Foreign Currency Translation Reserve".

### 3.4 Employees Share- based Payments

Equity settled stock options granted under stock option schemes established after June 19, 1999 are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on Employee Share based Payments issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and to deferred employee compensation expense equal to the un-amortised portion.

### 3.5 Employee Benefits

#### (i) Long-term Employee Benefits

##### (a) Defined Contribution Plans

###### Superannuation Scheme

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

###### Provident Fund, Employee State Insurance Scheme and Labour Welfare Funds

Contributions to Provident Fund are charged to the Statement of Profit and Loss as incurred. The Provident Fund contributions are made to a government administered fund towards which the company has no further obligations beyond its monthly contributions.

Contributions to Employee State Insurance Scheme and Labour Welfare Funds are charged to Profit and Loss account as incurred.

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

### (b) Defined Benefit Plans

#### Gratuity

Thomas Cook (India) Limited, Travel Corporation (India) Limited and TC Visa Services (India) Limited provide for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Contribution to gratuity is based on the premium contribution called for by the Life Insurance Corporation of India (LIC) with whom the Companies have entered into an arrangement. The Companies' liabilities are actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise. For other Indian subsidiaries, gratuity is accrued based on actuarial valuation at the balance sheet date, carried out by an independent actuary.

#### Provident Fund

For 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. Any short fall/(excess) based on independent actuarial valuation is accounted for in the Statement of Profit & Loss in the relevant period.

### (ii) Short-term Employee Benefits

For IKYA and its subsidiaries, compensated absences are accrued based on actuarial valuation at the balance sheet date, carried out by an independent actuary.

For other Indian companies, employees are entitled to avail 30 days of leave during a year. Any carry forward or encashment of the same is not allowed and all unutilised leaves necessarily lapse at the end of the year.

### (iii) Employee benefits of Sri Lanka and Mauritius subsidiaries are provided for on the basis of the local laws.

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

### (i) Tangible Assets

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

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or the rates prescribed under Schedule XIV to the Companies Act, 1956, whichever is higher, as follows:

<u>Description of Tangible Asset</u>	<u>Rate of Depreciation</u>
Computers	25% or 33.33%
Plant & Machinery	33.33%
Furniture & Fixtures	6.33% or 20% or 25%
Office Equipment	4.75% or 20% or 25%
Office Building	1.63%
Vehicles	15% or 33.33%

Leasehold Improvements are amortised over the period of the lease or estimated useful life, whichever is lower.

Fixed assets costing ₹ 5,000 or less are fully depreciated in the year of acquisition (excluding Mauritius & Sri Lanka subsidiaries).

### (ii) Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The amortisation rates used are:

<u>Description of Intangible Asset</u>	<u>Rate of Amortisation</u>
Software (including software - internally generated/developed)	25% or 33.33%

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

### 3.7 Impairment of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

### 3.8 Investments

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

### 3.9 Inventories

Inventories which comprise finished goods are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less, the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis. Inventories are stated net of write down or allowances on account of obsolete, damaged or slow moving items.

### 3.10 Cash and Cash Equivalents

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

### 3.11 Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Provision for onerous contracts, i.e., contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefit expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefit will be required to settle a present obligation as a result of an obligation event, based on a reliable estimate of such obligation.

### 3.12 Revenue from Operations and Revenue Recognition

#### (i) Foreign Exchange & Travel and related services

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

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

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.

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

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.

In case of Visa business, revenue is recognised when services towards obtaining/arranging Visa clearance(s) are rendered i.e. submission of relevant documents to the Consulate.

### (ii) Staffing Services

Revenues related to temporary staffing services are negotiated and invoiced on a monthly basis. Salary and incidental expenses of temporary associate employees and IT/ITES employees along with service charge are billed in accordance with the agreed terms. Staffing service revenues are recognised as and when the services are performed.

### (iii) Recruitment Services

Revenue related to recruitment service is recognized at the time the candidate begins full time employment.

### (iv) Selection Business

Revenue related to executive search and trainings is recognized upon rendering of the service.

### (v) Training Fees, Housekeeping, Facility Management and Food Services

Revenues for housekeeping services, material reimbursement, training fee, food services and machinery rentals are negotiated and invoiced on a monthly basis to the customers. Revenues from the above services are recognised as services are performed as per the terms of the arrangement with the customer.

Revenues for facility management services, machinery rentals and other services are negotiated and invoiced on a monthly basis to the customers. Revenues from the above services are recognized as services are performed as per the terms of the arrangement with the customer.

### 3.13 Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the right to receive dividend is established.

### 3.14 Government grants

Government grants related to subsidy received in cash or in kind are recognised as income when the obligation associated with the grant is performed and right to receive money is established and reflected as receivable or payable in the balance sheet.

### 3.15 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

The Group has acquired on lease certain tangible and intangible assets and such leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

### 3.16 Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 3.17 Earnings Per Share

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

### 3.18 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Expenses which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under "Unallocated Corporate Expenditure".

4 Share Capital	As at December 31, 2013	As at December 31, 2012
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 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, Subscribed and Paid up :		
247,680,897 (Previous Year 213,158,694) Equity Shares of ₹ 1 each fully paid-up	247,680,897	213,158,694
319,765 (Previous Year 319,765) 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10 each	3,197,650	3,197,650
271,800 (Previous Year 271,800) 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10 each	2,718,000	2,718,000
	<u>253,596,547</u>	<u>219,074,344</u>

(a) Reconciliation of the number of shares	As at December 31, 2013		As at December 31, 2012	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
Balance as at the beginning of the year	213,158,694	213,158,694	212,007,362	212,007,362
Add: Addition on account of Stock Options allotment	142,597	142,597	1,151,332	1,151,332
Add: Addition on account of IPP [Refer Note 41]	34,379,606	34,379,606	-	-
Balance as at the end of the year	<u>247,680,897</u>	<u>247,680,897</u>	<u>213,158,694</u>	<u>213,158,694</u>

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

(b) Rights, preferences and restrictions attached to shares

Equity Shares:- The Company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution to preference shareholders of all preferential amounts, in proportion to their shareholding.

Preference Shares:- 319,765 'Class B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10 each and 271,800 'Class C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10 each were issued on 7th February, 2007 to the erstwhile shareholders of LKP Merchant Financing Limited (presently known as LKP Finance Limited) pursuant to the Scheme of Amalgamation without payment being received in cash. The terms of redemption of these preference shares are given in Note (f).

(c) Shares held by Holding Company and Subsidiary of Holding Company

	As at December 31, 2013		As at December 31, 2012	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
Fairbridge Capital (Mauritius) Limited	185,653,725	185,653,725	185,653,725	185,653,725

(d) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at December 31, 2013		As at December 31, 2012	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares				
Fairbridge Capital (Mauritius) Limited	185,653,725	74.96%	185,653,725	87.10%
Preference Shares- 'Class B'				
LKP Merchant Financing Limited	319,765	100.00%	319,765	100.00%
Preference Shares- 'Class C'				
LKP Merchant Financing Limited	271,800	100.00%	271,800	100.00%

(e) Shares reserved for issue under Options

	As at December 31, 2013	As at December 31, 2012
Number of shares to be issued under the Employee Stock Option Schemes	7,508,101	3,042,009
Refer Note 33 for details of shares to be issued under the Employee Stock Option Schemes.		

(f) Terms of securities convertible into Equity Shares

Class B Preference Shares :-

If the EPS of the Company for any financial year during the Earn out period first exceeds ₹ 30.30, each Class B Preference Share shall be converted into 1 (one) equity share of the Company within 6 (six) months from the expiry of the said Financial Year. The number of the equity shares to be issued upon conversion of the Class B Preference shares shall be proportionately adjusted in case of any subdivision of equity shares or Bonus issues of equity shares during the Earn Out period. Provided however that if the EPS of the Company does not exceed ₹ 30.30 for any Financial Year comprised in the Earn Out period, each Class B Preference share shall be redeemed by the Company at par within 6 (Six) months from the expiry of the Earn Out period.

Class C Preference Shares :-

If the EPS of the Company for any financial year during the Earn out period first exceeds ₹ 36.40, each Class C Preference Share shall be converted into 1 (one) equity share of the Company within 6 (six) months from the expiry of the said Financial Year. The number of the equity shares to be issued upon conversion of the Class C Preference shares shall be proportionately adjusted in case of any subdivision of equity shares or Bonus issues of equity shares during the Earn Out period. Provided however that if the EPS of the Company does not exceed ₹ 36.40 for any Financial Year comprised in the Earn Out period, each Class C Preference share shall be redeemed by the Company at par within 6 (Six) months from the expiry of the Earn Out period.

Pursuant to sub division of equity share capital of Company in May 2007, wherein the face value of equity share of ₹ 10 each was sub-divided into equity share of Re. 1 each, the aforesaid EPS figures have respectively been adjusted to ₹ 3.03 and ₹ 3.64 per the terms of issue of those shares. The Earn Out period has ended on December 31, 2013 and pursuant to the execution of the consent terms dated February 5, 2014 with LKP Finance Limited, the Company shall convert 319,765 Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10 each and 271,800 Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10 each held by LKP Finance Limited in the Company, into 5,140,000 Equity Shares of ₹ 1 each of the Company, subject to necessary approvals.



## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

5 Reserves and Surplus	As at December 31, 2013	As at December 31, 2012
<u>Debenture Redemption Reserve</u>		
Balance as at the beginning of the year	-	-
Add: Transfer from Surplus in Statement of Profit and Loss during the year	48,958,333	-
Balance as at the end of the year	48,958,333	-
<u>Securities Premium Account</u>		
Balance as at the beginning of the year	1,685,373,181	1,640,748,001
Add: Addition on account of IPP	1,804,929,315	-
Add: Addition on account of Stock Options allotment	6,036,642	41,276,665
Add: Transferred from Stock Options Outstanding	623,762	3,348,515
Add: Securities Premium on consolidation of IKYA	168,007,169	-
Less: 10.52% Non-Convertible Debentures (NCD) issue expenses	6,400,100	-
Less: IPP issue expenses	59,777,494	-
Balance as at the end of the year	3,598,792,475	1,685,373,181
<u>Stock Options Outstanding Account</u>		
Balance as at the beginning of the year	11,409,117	17,274,612
Add: Charge / (Write back) for options lapsed/granted during the year (Net)	6,633,536	(2,516,980)
Less: Transfer to Securities Premium on exercise of stock options during the year	623,762	3,348,515
Balance as at the end of the year	17,418,891	11,409,117
<u>General Reserve</u>		
Balance as at the beginning of the year	277,095,600	227,889,249
Add: Transfer from Surplus in Statement of Profit and Loss during the year	46,124,903	49,206,351
Balance as at the end of the year	323,220,503	277,095,600
<u>Foreign Currency Translation Reserve</u>		
Balance as at the beginning of the year	32,749,330	22,224,274
Add: Exchange gain on translation during the year	52,682,032	10,525,056
Balance as at the end of the year	85,431,362	32,749,330
<u>Surplus in Statement of Profit and Loss</u>		
Balance as at the beginning of the year	2,158,526,263	1,796,638,975
Profit for the year	622,200,592	504,357,833
Less: Appropriations		
Transfer to Debenture Redemption Reserve	48,958,333	-
Transfer to General Reserve	46,124,903	49,206,351
Dividend for the previous year paid during the year	12,892,352	311,669
Corporate Dividend Tax for the Previous year and paid during the year	2,808,559	50,570
Proposed Dividend on Equity Shares for the year	92,880,336	79,934,510
Provision for Dividend Distribution Tax on Proposed Dividend on Equity Shares	16,334,989	12,967,376
Provision for Proposed Dividend on Preference Shares	59	59
Provision for Dividend Distribution Tax on Proposed Dividend on Preference Shares	10	10
Balance as at the end of the year	2,560,727,314	2,158,526,263
	<u>6,634,548,878</u>	<u>4,165,153,491</u>

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

6 Long-term Borrowings	As at December 31, 2013	As at December 31, 2012
Secured:		
Loan from National Skill Development Centre [ Refer Note (a) ]	30,000,000	-
Finance Lease Obligations [ Refer Note (b) ]	14,720,286	24,927,715
Vehicle Loan	1,939,934	-
Unsecured:		
1,000 (Previous Year Nil) Redeemable Non-Convertible Debentures (Listed) [ Refer Note (c) ]	1,000,000,000	-
	<u>1,046,660,220</u>	<u>24,927,715</u>
(a) Loan received from National Skill Development Centre secured against hypothecation of project assets & fixed deposit with Yes Bank. The loan is taken @ 6% p.a. Simple interest. The principal amount is repayable over a period of 10 years beginning January 2016.		
(b) Nature of Security and terms of repayment for secured borrowings		
<u>Nature of Security</u>	<u>Terms of Repayment</u>	
Finance Lease Obligations and Vehicle Loan are secured by hypothecation of assets underlying the leases.	Monthly payment of Equated Monthly Instalments beginning from the month of taking the lease.	
(c) Debentures:		
The Company has issued following redeemable non-convertible debentures:		
1,000 Debentures on April 15, 2013 aggregating to ₹ 1,000,000,000 of face value of ₹ 1,000,000 each; carrying a coupon rate of 10.52% p.a., payable annually. These debentures are redeemable equally at the end of the 3rd, 4th and 5th year from the date of allotment.		
7 Other Long-term Liabilities	As at December 31, 2013	As at December 31, 2012
Liability against Security Deposit from Vendor	171,199,850	162,202,261
Balance Purchase Consideration Payable *	23,133,333	-
Income Received in Advance	9,496,220	63,982,049
	<u>203,829,403</u>	<u>226,184,310</u>
* Balance purchase consideration payable on acquisition of Avon, Sri Apoorva Hospitality Services Group and 360 Degree Haute.		
8 Long-term Provisions	As at December 31, 2013	As at December 31, 2012
Provision for Employee Benefits		
Provision for Gratuity	21,558,241	10,852,463
Provision for Provident Fund	1,810,519	-
	<u>23,368,760</u>	<u>10,852,463</u>
9 Deferred Tax Liabilities (Net)	As at December 31, 2013	As at December 31, 2012
Deferred Tax Liability		
On Fiscal Allowances on Fixed Assets	124,771,099	151,746,563
Less: Deferred Tax Assets		
On Provisions Allowable for tax purposes when paid	22,276,372	6,796,579
On Unabsorbed Business Losses	4,765,278	26,272,044
On Provision for Doubtful Debts and Advances	80,295,661	58,394,230
On Unamortised Expenditure	1,011,726	-
	<u>16,422,062</u>	<u>60,283,710</u>

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

10 Short-term Borrowings	As at December 31, 2013	As at December 31, 2012
Secured:		
Cash Credit and Bank Overdrafts	374,069,500	-
Bill discounting facility from a Bank	234,849,879	-
Unsecured:		
Short-term Loan from Banks	-	540,000,000
Commercial Paper	-	1,158,813,330
Bank Overdrafts	146,854,360	138,852,163
	<u>755,773,739</u>	<u>1,837,665,493</u>
<b>11 Trade Payables</b>	<b>As at December 31, 2013</b>	<b>As at December 31, 2012</b>
Trade Payables [Includes Book Overdrafts aggregating to ₹ 442,738,166 (Previous Year ₹ 176,863,822)]	2,783,502,505	1,487,041,546
<b>12 Other Current Liabilities</b>	<b>As at December 31, 2013</b>	<b>As at December 31, 2012</b>
Current maturities of Finance Lease Obligations [ Refer Note 6 ]	8,675,040	10,310,157
Current maturities of Vehicle loan	1,309,639	-
Income Received in Advance	98,567,801	64,737,115
Advance receipts from Customers for which value is still to be given (Including Travellers Cheques, Drafts and Transfers Unpaid)	1,046,939,160	823,797,732
Unpaid Dividends @	2,121,517	2,454,415
Employee Benefits Payable	939,270,561	177,366,515
Liabilities against Expenses	255,280,874	227,869,891
Liabilities against Fixed Assets	-	791,900
Interest Accrued but not Due	76,881,381	23,043,657
Statutory Dues including Provident Fund and Tax deducted at Source	401,489,898	88,074,893
Fractional Entitlement on Bonus Shares Refund Accounts	49,066	49,066
Current portion of balance purchase consideration*	85,273,667	-
Others	13,887,396	10,232,025
	<u>2,929,746,000</u>	<u>1,428,727,366</u>

\*Purchase consideration payable on acquisition of Avon, Sri Apoorva Hospitality Services Group & 360 Degree Haute @ ₹ 132,923 was paid to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 during the year ended December 31, 2013.

13 Short-term Provisions	As at December 31, 2013	As at December 31, 2012
Provision for Employee Benefits		
Provision for Gratuity	1,101,442	13,752
Provision for Leave Encashment	13,191,764	-
Other Provisions		
Provision for Proposed Dividend on Equity Shares	92,880,336	79,934,510
Provision for Dividend Distribution Tax on Proposed Dividend on Equity Shares	15,785,013	12,967,376
Provision for Proposed Dividend on Preference Shares	59	59
Provision for Dividend Distribution Tax on Proposed Dividend on Preference Shares	10	10
	<u>122,958,624</u>	<u>92,915,707</u>

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

Amount in Rupees

### 14(a) Fixed Assets- Tangible

Description	Gross Block (at cost)				Depreciation/Amortisation				Net Block					
	As at 01.01.2013	On Acquisition*	Additions	Disposals	Translation Exchange Difference	As at 31.12.2013	As at 01.01.2013	On Acquisition*	For the year	On Disposals	Translation Exchange Difference	As at 31.12.2013	As at 31.12.2012	
<b>Tangible Assets</b>														
Owned														
Office Building	483,708,804	-	-	-	-	483,708,804	82,835,869	-	7,888,623	-	-	90,724,492	392,984,312	400,872,935
Leasehold Improvements	68,984,811	56,326,639	12,671,142	4,845,306	44,355	133,181,641	39,617,700	29,771,999	13,310,925	4,468,983	44,355	78,275,996	54,905,645	29,367,111
Furniture and Fixtures	341,608,880	28,471,708	11,818,067	26,019,241	3,147,813	359,027,227	125,191,557	24,292,497	21,950,339	17,519,301	868,135	154,783,227	204,244,000	216,417,323
Computers	209,334,445	49,875,844	24,753,279	19,333,530	1,774,593	266,404,631	163,670,936	38,073,030	28,377,782	19,137,539	1,476,553	212,460,762	53,943,869	45,663,509
Plant & Machinery	-	44,101,276	20,885,792	1,459,169	-	63,527,899	-	29,230,884	7,801,343	847,091	-	36,185,136	27,342,763	-
Office Equipment	220,819,676	18,404,805	8,460,607	17,943,860	2,821,533	232,562,761	83,589,833	14,866,334	11,693,546	11,046,449	768,066	99,871,330	132,691,431	137,229,843
Vehicles	25,232,136	8,218,656	3,774,303	8,067,185	1,011,614	30,169,524	17,228,661	1,073,541	3,623,304	6,739,490	325,540	15,511,556	14,657,968	8,003,475
Leased														
Computers	3,053,425	-	-	-	-	3,053,425	2,748,082	-	305,343	-	-	3,053,425	-	305,343
Vehicles	39,348,216	-	2,336,461	9,977,618	-	31,707,059	7,328,896	-	5,095,376	3,125,761	-	9,298,511	22,408,548	32,019,320
<b>Total</b>	<b>1,392,090,393</b>	<b>205,398,928</b>	<b>84,699,651</b>	<b>87,645,909</b>	<b>8,799,908</b>	<b>1,603,342,971</b>	<b>522,211,534</b>	<b>137,308,285</b>	<b>100,046,581</b>	<b>62,884,614</b>	<b>3,482,649</b>	<b>903,178,536</b>	<b>869,878,859</b>	
<i>Previous Year</i>	<i>1,362,591,453</i>	<i>-</i>	<i>106,895,488</i>	<i>79,054,135</i>	<i>1,657,587</i>	<i>1,392,090,393</i>	<i>512,828,476</i>	<i>-</i>	<i>71,991,339</i>	<i>63,139,410</i>	<i>531,129</i>	<i>869,878,859</i>	<i>849,762,977</i>	

### 14(b) Fixed Assets- Intangible

Description	Gross Block (at cost)				Depreciation/Amortisation				Net Block				
	As at 01.01.2013	On Acquisition*	Additions	Disposals	Translation Exchange Difference	As at 31.12.2013	As at 01.01.2013	On Acquisition*	For the year	On Disposals	Translation Exchange Difference	As at 31.12.2013	As at 31.12.2012
<b>Intangible Assets</b>													
Owned													
Goodwill	-	22,565,778	28,715,502	-	-	51,281,280	-	10,317,451	8,113,926	-	-	18,431,377	32,849,903
Goodwill on Consolidation	1,453,969,274	-	2,244,149,455	-	-	3,698,118,729	-	-	-	-	-	3,698,118,729	1,453,969,274
Software	522,828,395	22,961,668	69,607,778	13,074,327	5,113,685	607,437,199	404,271,504	16,864,827	67,154,205	300,783	3,695,694	115,751,752	118,556,891
Leased													
Software	2,040,754	45,527,446	2,342,472,735	13,074,327	-	2,040,754	1,836,679	-	204,075	-	-	2,040,754	204,075
<b>Total</b>	<b>1,978,838,423</b>	<b>45,527,446</b>	<b>2,342,472,735</b>	<b>13,074,327</b>	<b>5,113,685</b>	<b>4,358,877,962</b>	<b>406,108,183</b>	<b>27,182,278</b>	<b>75,472,206</b>	<b>300,783</b>	<b>3,695,694</b>	<b>3,846,720,384</b>	<b>1,572,730,240</b>
<i>Previous Year</i>	<i>1,946,750,352</i>	<i>-</i>	<i>40,193,676</i>	<i>8,831,169</i>	<i>725,564</i>	<i>1,978,838,423</i>	<i>344,891,045</i>	<i>-</i>	<i>69,807,046</i>	<i>8,831,169</i>	<i>241,261</i>	<i>1,572,730,240</i>	<i>1,601,859,307</i>

Notes:

1. Cost of Office Building includes:

(a) 130 (Previous Year 130) unquoted fully paid-up Shares of ₹ 6,500 (Previous Year ₹ 6,500) in various Co-operative Societies.

(b) Share application money of ₹ 2,040 (Previous Year ₹ 2,040) to various Co-operative Societies.

(c) Premises of ₹ 192,708,900 (Previous Year ₹ 192,708,900) where the Co-operative Society is yet to be formed.

(d) ₹ 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 Limited.

2. Intangible Assets (softwares) includes Internally generated / developed softwares - Gross Block ₹ 142,092,527 (Previous Year ₹ 94,996,746); Net Block ₹ 67,732,799 (Previous Year ₹ 49,646,701)  
\* Refer Note 42

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

15 Non-current Investments	As at December 31, 2013	As at December 31, 2012
Long-term (at cost)		
- 676 fully paid-up Class C (Series I) Common Stock of USD 0.0001 each of Visa Inc.	962,589	962,589
Other Investments (Quoted)		
[Net of provision for other than temporary diminution aggregating to ₹ 18,269 (Previous Year ₹ 18,135)]		
- 10 fully paid-up Equity Shares of ₹ 10 each of JIK Industries Limited	7	25
- 100 fully paid-up Equity Shares of ₹ 10 each of Weizmann Limited	615	719
- 66 fully paid-up Equity Shares of ₹ 10 each of Karma Energy Limited	603	615
- 66 fully paid-up Equity Shares of ₹ 10 each of Weizmann Forex Limited	506	506
	<u>964,320</u>	<u>964,454</u>
Aggregate Amount of Quoted Investments	1,731	1,865
Aggregate Market Value of Quoted Investments	4,191	8,302
Aggregate Amount of Unquoted Investments	962,589	962,589
Aggregate Provision for Diminution in value of Investments	18,269	18,135
16 Long-term Loans and Advances (Unsecured, Considered good)	As at December 31, 2013	As at December 31, 2012
Capital Advances	3,485,110	966,278
Security Deposits	395,148,108	350,537,307
Advance Tax [Net of Provision for Tax ]	534,658,146	15,586,170
MAT Credit Entitlement [Refer Note 38]	44,226,108	13,319,904
Prepaid Expenses	49,575,966	149,872,391
	<u>1,027,093,438</u>	<u>530,282,050</u>
17 Other Non-current Assets	As at December 31, 2013	As at December 31, 2012
Fixed Deposit with Banks with maturity period more than 12 months [On lien with various authorities ₹ 12,035,158 (Previous Year ₹ 13,261,828)]	<u>195,043,376</u>	<u>165,597,978</u>
18 Current Investments	As at December 31, 2013	As at December 31, 2012
Current - Trade (Unquoted)		
Investment in The Government of Mauritius Treasury Bills	44,030,702	36,365,472
Current - Non - Trade (Unquoted)		
In fully paid up Units of Mutual Funds		
- 1,997,448 (Previous Year - 1,996,441) Units of ₹ 100 each - Birla Sun Life Cash Plus - Daily Dividend	200,134,257	200,033,403
- 19,617,727 (Previous Year - 19,615,342) Units of ₹ 10 each - HDFC Liquid Fund - Direct Plan - Dividend - Daily Reinvestment	200,065,507	-
- 199,363 (Previous Year - 199,360) Units of ₹ 1,000 each - UTI Money Market Fund - Daily Dividend Reinvestment	200,037,610	200,034,766
- 1,999,675 (Previous Year Nil) Units of ₹ 10 each - ICICI Prudential Liquid - Direct Plan - Daily Dividend	200,075,836	-
- 199,911 (Previous Year Nil) Units of ₹ 1,000 each - Baroda Pioneer Liquid Fund Plan B - Daily Dividend- Re-investment	200,037,018	-
- 199,943 (Previous Year Nil) Units of ₹ 1,000 each - Union KBC Liquid Fund - Daily Dividend Reinvestment - Direct Plan	200,073,530	-
- 182,183 (Previous Year Nil) Units of ₹ 1,000 each- LIC Nomura Mutual Liquid Fund - Direct - Dividend Plan	200,036,977	-
- 54,832 (Previous Year - Nil) Units of ₹ 1,000 each of SBI Premier Liquid Fund - Direct Plan - Daily Dividend Reinvestment	55,010,081	-
- 2,000,773 (Previous Year - Nil) units of ₹ 100 each ICICI Prudential Liquid – Direct Plan - Daily Dividend	200,189,274	-

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

<b>18 Current Investments</b>	As at December 31, 2013	As at December 31, 2012
- 180,021 ( <i>Previous Year - Nil</i> ) units of ₹ 1,000 each - Union KBC Liquid Fund Daily Dividend Reinvestment – Direct Plan	180,138,179	-
- 1,997,997 ( <i>Previous Year - Nil</i> ) units of ₹ 100 each Birla Sun Life Cash Plus - Daily Dividend- Direct Plan	200,185,697	-
- Nil ( <i>Previous Year - 399,856</i> ) Units of ₹ 1,000 each of Templeton India Treasury Management Account-Super Institutional Plan - Daily Dividend Reinvestment	-	400,078,326
- Nil ( <i>Previous Year - 19,615,342</i> ) Units of ₹ 10 each HDFC Cash Management Fund-Savings Plan- Daily Dividend Reinvestment Plan	-	200,041,184
- Nil ( <i>Previous Year - 5,884,603</i> ) Units of ₹ 10 each of HDFC Liquid Fund - Dividend - Daily Reinvestment	-	60,012,355
	<u>2,080,014,668</u>	<u>1,096,565,506</u>
Aggregate Amount of Unquoted Investments	2,080,014,668	1,096,565,506
<b>19 Trade Receivables</b>	As at December 31, 2013	As at December 31, 2012
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they were due for payment	8,984,817	11,319,404
Others	3,291,943,293	2,093,771,420
Unsecured, Considered Doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	214,919,784	147,089,112
Less: Provision for Doubtful Debts	(214,919,784)	(147,089,112)
	<u>3,300,928,110</u>	<u>2,105,090,824</u>
<b>20 Cash and Bank Balances</b>	As at December 31, 2013	As at December 31, 2012
Cash and Cash Equivalents		
Cash on Hand (including Foreign Currencies - Notes and paid documents)	417,023,867	732,823,624
Cheques/Drafts on Hand	25,710,191	74,492,649
Remittances in Transit (including Foreign Currencies - Notes and paid documents)	182,356,724	377,299,220
Bank Balances		
- In Current Accounts	850,297,057	736,215,250
- Fixed Deposits (less than 3 months maturity) [On lien with various authorities ₹ 27,058 ( <i>Previous Year ₹ 60,632,664</i> )]	3,467,058	146,365,613
	<u>1,478,854,897</u>	<u>2,067,196,356</u>
Other Bank Balances		
Fixed Deposit (maturity more than 3 months but less than 12 months) [On lien with various authorities ₹ 18,957,460 ( <i>Previous Year ₹ 215,757</i> )]	114,849,943	7,406,031
Unpaid Dividend Account	2,121,517	2,454,415
	<u>116,971,460</u>	<u>9,860,446</u>
	<u>1,595,826,357</u>	<u>2,077,056,802</u>
<b>21 Short-term Loans and Advances</b> (Unsecured, Considered good unless otherwise stated)	As at December 31, 2013	As at December 31, 2012
Advances to Ultimate Holding Company	1,308,501	-
Advances to Suppliers		
- Considered Good	842,657,246	573,491,383
- Considered Doubtful	31,158,067	31,158,067
Less: Allowance for Doubtful Loans and Advances	(31,158,067)	(31,158,067)
	<u>842,657,246</u>	<u>573,491,383</u>

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

<b>21 Short-term Loans and Advances</b> (Unsecured, Considered good unless otherwise stated)	As at December 31, 2013	As at December 31, 2012
Other Loans and Advances		
- Security Deposit	89,841,783	75,420,236
- Service Tax Credit Receivable	21,160,269	46,554,432
- Prepaid Expenses	147,356,396	111,519,634
- Advance to Employees		
- Considered Good	25,087,364	17,671,034
- Considered Doubtful	2,752,883	-
Less: Allowance for Doubtful Loans and Advances	(2,752,883)	-
- Others	11,175,511	-
	<u>1,138,587,070</u>	<u>824,656,719</u>
<b>22 Other Current Assets</b> (Unsecured, Considered good)	As at December 31, 2013	As at December 31, 2012
Interest Accrued on Deposits	9,424,460	3,089,344
Accrued Revenue	1,080,152,019	278,728,473
	<u>1,089,576,479</u>	<u>281,817,817</u>
<b>23 Contingent Liabilities</b>	As at December 31, 2013	As at December 31, 2012
Contingent Liabilities		
(i) Claims against the Company not acknowledged as debts:		
- Demand from Bombay Electricity Supply and Transport (BEST) for Electricity Charges	1,961,083	1,961,083
- Disputed claims made by clients	2,633,519	2,633,519
(ii) Disputed Income Tax demands	171,726,882	195,706,035
(iii) Disputed Service Tax demands #	3,140,967,017	2,319,680,492
(iv) Disputed Demand for increase in rent raised by Brihanmumbai Municipal Corporation	53,750,060	49,615,440
(v) Disputed Value Added Tax assessment by the Department of Inland Revenue, Sri Lanka	6,045,885	-
(vi) Corporate Guarantee for cash credit and overdraft facility with banks	460,000,000	-
(vii) Guarantees issued in favour of Commercial tax authorities	100,000	-
Note:		
# Disputed Service tax demands include matters in respect of Outbound tours to the extent of ₹ 3,093,295,602 pertaining to Thomas Cook (India) Limited. In this respect, the Central Excise Service Tax Appellate Tribunal, New Delhi, vide its order dated December 10, 2013, in case of Travel Corporation (India) Limited, has ruled that Service Tax is not applicable on Outbound Tours to the extent that services are rendered abroad. The said order is expected to hold good for the litigation of the aforesaid issue of Service Tax on Outbound tours in case of Thomas Cook (India) Limited.		
Future cash outflows in respect of (i) to (v) above are determinable only on receipt of judgments / decisions pending with various forums / authorities.		
<b>24 Capital Commitments</b>	As at December 31, 2013	As at December 31, 2012
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for	12,319,626	2,216,443



## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

25 Proposed Dividend	As at December 31, 2013	As at December 31, 2012
The Final Dividend Proposed for the year is as follows:		
On Equity Shares of ₹ 1 each		
Amount of Dividend Proposed	92,880,336	79,934,510
Dividend per Equity Share (% of Face Value)	37.50%	37.50%
On Preference Shares 'Class B' of ₹ 10 each		
Amount of Dividend Proposed	32	32
Dividend per Preference Share (% of Face Value)	0.001%	0.001%
On Preference Shares 'Class C' of ₹ 10 each		
Amount of Dividend Proposed	27	27
Dividend per Preference Share (% of Face Value)	0.001%	0.001%
26 Revenue from Operations	Year ended December 31, 2013	Year ended December 31, 2012
Sale of Services		
Foreign Exchange and Travel & related services	4,267,627,021	4,153,981,161
Staffing services	7,255,473,483	-
Selection business	129,275,323	-
Training fees (Refer Note 39)	29,561,803	-
Facility management services	860,037,520	-
Food service	233,363,116	-
Other Operating Revenue		
Education and Training Income	26,466,147	13,343,000
Liabilities no longer required written back	153,842,463	134,594,750
	<u>12,955,646,876</u>	<u>4,301,918,911</u>
27 Other Income	Year ended December 31, 2013	Year ended December 31, 2012
Interest Income		
On Deposit	40,953,518	11,068,146
On Others	3,045,349	2,016,967
On Income Tax Refund	14,607,900	51,050,448
Dividend Income from Investments	5,187,052	3,747,982
Exchange Variation (Net) other than in the normal course of business as Foreign Exchange Authorised Dealers	20,822,969	16,424,960
Referral Income	609,938	-
Miscellaneous Income	13,108,868	18,833,272
	<u>98,335,594</u>	<u>103,141,775</u>
28 Employee Benefit Expenses	Year ended December 31, 2013	Year ended December 31, 2012
Salaries, Wages and Bonus	8,672,939,945	1,450,870,191
Contribution to Provident and Other Funds	587,614,910	67,449,394
Premium on / Provision for Gratuity-cum-Life Assurance Policy	14,571,506	16,866,331
Expense / (Write back) on Employee Stock Option Scheme (Net)	6,633,536	(2,516,980)
Staff Welfare Expenses	89,854,564	83,555,758
Staff Training, Recruitment and Other Costs	10,533,808	24,171,478
Incentive / Commission to Staff and Directors	133,738,835	115,057,649
	<u>9,515,887,104</u>	<u>1,755,453,821</u>

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

29 Finance Costs	Year ended December 31, 2013	Year ended December 31, 2012
Interest Expense	227,212,799	196,833,677
Other Finance Charges	194,908,189	113,259,354
	<u>422,120,988</u>	<u>310,093,031</u>
30 Depreciation and Amortisation Expenses	Year ended December 31, 2013	Year ended December 31, 2012
Depreciation on Tangible Assets	100,046,581	71,991,339
Amortisation on Intangible Assets	75,472,206	69,807,046
	<u>175,518,787</u>	<u>141,798,385</u>
31 Other Expenses	Year ended December 31, 2013	Year ended December 31, 2012
Rent	314,819,118	241,343,542
Cost of material consumed	196,015,526	-
Rates and Taxes	21,781,947	29,840,063
Insurance	11,701,501	12,488,691
Repairs to Buildings	6,997,927	998,546
Repairs to Others	121,925,349	130,578,712
Electricity	69,900,820	50,685,358
Printing and Stationery	40,846,237	29,121,778
Postage, Telegrams and Telephones	139,171,902	138,917,896
Freight Currency Shipment	35,088,110	33,229,219
Legal and Professional Charges #	355,176,524	198,754,891
Travelling and Conveyance	175,268,638	120,748,956
Directors' Sitting Fees	1,996,109	842,186
Security Services	48,727,503	38,976,105
Vehicle Running and Maintenance	16,305,979	21,732,202
Licence Fees	25,465,069	21,681,095
Bad Debts and Advances written off	7,751,984	48,358,684
Provision for Doubtful Debts and Advances (Net)	47,071,701	17,008,609
Provision for Diminution in the value of Long Term Investments	133	15
Training expenses	10,322,326	-
Donations	515,000	30,000
Exchange Variation (Net) other than in the normal course of business as Foreign Exchange Authorised Dealers	9,111,400	-
Loss on sale of Fixed Assets (Net)	26,839,471	10,370,210
Miscellaneous Expenses	64,260,776	46,890,851
	<u>1,747,061,050</u>	<u>1,192,597,609</u>

# Legal and Professional Charges include payment to Auditors' :

	Year ended December 31, 2013	Year ended December 31, 2012
(a) As auditor		
i Statutory Audit	8,049,000	7,149,000
ii Reports under the provisions of the Income-tax Act, 1961	3,775,000	3,775,000
iii Miscellaneous Reports	3,010,000	185,000
iv For reimbursement of expenses	234,075	206,100
v Branch Auditor's Remuneration	-	232,782
	<u>15,068,075</u>	<u>11,547,882</u>
(b) In addition to the above, ₹ 4,998,400 has been paid towards IPP related certification. The same forms part of the IPP expenses and has been adjusted against Securities Premium Account balance.		

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

32 Earnings Per Share (EPS)	Year ended December 31, 2013	Year ended December 31, 2012
The components of Basic and Diluted Earnings Per Share are as follows:		
(a) Net Profit available to Equity Shareholders *	622,200,523	504,357,764
(b) Weighted average number of Outstanding Equity Shares		
Considered for Basic EPS	235,712,356	212,734,691
Add: Effect of Conversion of Preference Shares	5,140,000	5,915,650
Add: Effect of Dilutive Issue of Stock Options	4,912,971	517,447
Considered for Diluted EPS	245,765,327	219,167,788
(c) Earnings Per Share in ₹		
Basic	2.64	2.37
Diluted	2.57	2.31
(Nominal Value per Share ₹ 1/- each)		

\* Dividend amounting to ₹ 69 (*Previous Year ₹ 69*) (including Dividend Distribution Tax) on Preference Shares outstanding during the year has been considered in determining the Earning per Share for year ended December 31, 2013.

### 33 Employee Stock Option Schemes

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

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

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

The objectives of this plan are :

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

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

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

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

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

SAYE allows employees to save a part of their net pay every month which gets deposited with a bank in a recurring deposit account carrying fixed rate of interest. At the end of 3 years, employees have the option to either purchase specific number of equity shares of Thomas Cook (India) Limited at the predetermined exercise price or withdraw the monthly savings contributions along with interest accrued.

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

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

#### Thomas Cook Employees Stock Option Plan -2013

The Company has established an Employee Stock Option Plan called -“Thomas Cook Employees Stock Option Plan - 2013”. The same has been approved by a Special Resolution passed by the Shareholders by a Postal Ballot on October 25, 2013.

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

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

The objectives of this plan are :

- to reward the Senior Employees of the Company for their performance
- to motivate them to contribute to the growth and profitability of the Company and
- to retain talent in the organization

The grant of options to employees under the stock option scheme is on the basis of their performance and other eligibility criteria. Each option will entitle the participant to one equity share of Thomas Cook (India) Limited. The unvested options shall vest with the participant after 4 years but not later than 7 years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and certain performance parameters. The attainment of such performance parameters would be a mandatory condition for vesting of options as determined by the Recruitment & Remuneration Committee from time to time.

**Following are the details of Options granted under these Schemes as on December 31, 2013 :**

Particulars	Grant Registration				
	GT 25 Jul 2007 July 25, 2007	GT 10 Jul 2008 July 10, 2008	GT 20 Mar 2009 March 20, 2009	GT 27 May 2010 May 27, 2010	SAYE Dec 2010 Dec 14, 2010
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 (₹ Per Share)	61.89	77.62	30.31	52.74	50.40
No. of Options Granted and Accepted	1,104,125	1,240,000	2,068,725	991,313	1,042,771
No. of Options Yet to be Vested	-	-	-	-	499,562
No. of Options Vested and Exercisable	239,000	290,500	397,213	417,063	-
No. of Options Exercised	113,540	-	1,263,352	175,474	-
No. of Options Lapsed/ Cancelled/Forfeited	751,585	949,500	408,160	398,776	543,209
Total No. of options In force (Vested and yet to be Vested)	239,000	290,500	397,213	417,063	499,562

Particulars	Grant Registration		
	GT 17 Feb 2011 Feb 17, 2011	GT 05 Sep 2013 Sep 5, 2013	GT 05 Dec 2013 December 5, 2013
Pricing Formula	90% of the closing market price on the stock exchange where higher number of shares are traded		Exercise price shall be equal to face value of shares i.e. ₹ 1 per option
Exercise Price (₹ Per Share)	47.57	49.32	1.00
No. of Options Granted and Accepted	1,397,825	1,054,000	4,202,438
No. of Options Yet to be Vested	150,019	1,054,000	4,202,438
No. of Options Vested and Exercisable	258,306	-	-
No. of Options Exercised	315,896	-	-
No. of Options Lapsed/ Cancelled/Forfeited	673,604	-	-
Total No. of options In force (Vested and yet to be Vested)	408,325	1,054,000	4,202,438

During the year ended December 31, 2013, a total of 142,597 (*Previous Year - 1,151,332*) 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 247,680,897 shares.

The Company has granted share options under the Company's Employees Stock Option Plan and share options outstanding as at December 31, 2013 are 7,508,101 (*Previous Year - 3,042,009*). Of these 3,973 (*Previous Year - 58,140*) options have vested in 2008, 214,347 (*Previous Year - 330,180*) have vested in 2009, 197,680 (*Previous Year - 330,180*) have vested in 2010, 102,205 (*Previous Year - 180,539*) have vested in 2011, 741,862 (*Previous Year - 748,701*) have vested in 2012, 342,015 (*Previous Year - 1,116,997*) have vested in 2013, 1,000,915 (*Previous Year - 277,272*) will vest in 2014, 351,334 (*Previous Year - Nil*) will vest in 2015, 351,332 (*Previous Year - Nil*) will vest in 2016 and 4,202,438 (*Previous Year - Nil*) will vest after 2017 but not later than 2020.

### 34 Effect of Employee Stock Option Schemes on the Balance Sheet and Statement of Profit and Loss:

	Year ended December 31, 2013	Year ended December 31, 2012
Share Options Outstanding Account [Refer Note 5]	17,418,891	11,409,117
Expense / (Write back) arising from employee share-based payment plan (Net) [Refer Note 28]	6,633,536	(2,516,980)

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

35 Leases	Year ended December 31, 2013	Year ended December 31, 2012
(A) Finance Leases		
(i) Minimum Lease Payments payable		
- Not later than one year	10,916,237	13,944,289
- Later than one year but not later than five years	16,420,066	28,466,397
	<u>27,336,303</u>	<u>42,410,686</u>
(ii) Present Value of Minimum Lease Payments payable		
- Not later than one year	8,675,039	10,310,157
- Later than one year but not later than five years	14,720,287	24,927,715
	<u>23,395,326</u>	<u>35,237,872</u>
(iii) Reconciliation of Minimum Lease Payments and their Present Value		
- Minimum Lease Payments Payable as per (i) above	27,336,303	42,410,686
- Less: Finance Charges to be recognised in subsequent years	3,940,977	7,172,814
- Present Value of Minimum Lease Payments payable as per (ii) above	<u>23,395,326</u>	<u>35,237,872</u>
(iv) Finance Charges recognised in the Statement of Profit and Loss	4,075,110	4,256,317
(B) Operating Leases		
Disclosures in respect of cancellable agreements for office and residential premises taken on lease		
(i) Lease payments recognised in the Statement of Profit and Loss	272,970,214	257,516,759
(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	49,401,735	22,998,191
- Later than one year and not later than five years	37,648,414	12,313,544
- Later than five years	930,307	1,619,762

### 36 Segmental Information

Segment information is provided so that the users of these financial statements can appreciate the diverse nature of the businesses carried out by Thomas Cook (India) Limited and its subsidiary companies.

- |                               |  |  |
|-------------------------------|--|--|
| (i) Business Segments         |  |  |
| - Financial services          |  | Include wholesale purchase and sale of foreign currencies and paid documents   |
| - Travel and related services |  | Include retail purchase and sale of foreign currencies and paid documents, tour operations, travel management and travel insurance |
| - Human Resource Services     |  | Include staffing services, facilities management services, selection services, training fees and food service                      |
| (ii) Geographical Segments    |  |  |
| - India                       |  | Include revenue from customers within India  |
| - Rest of the world           |  | Include revenue from customers outside India   |

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

	Year ended December 31, 2013	Year ended December 31, 2012
(l) Information in respect of Primary Segments		
(a) Segment Revenue		
Financial Services	405,205,908	532,580,623
Travel and Related Services	4,042,729,722	3,769,338,288
Human Resources	8,507,711,246	-
	<u>12,955,646,876</u>	<u>4,301,918,911</u>
(b) Segment Result		
Financial Services	203,104,333	289,237,799
Travel and Related Services	1,574,664,094	1,351,536,450
Human Resources	450,624,699	-
	<u>2,228,393,126</u>	<u>1,640,774,249</u>
Less: Unallocated Corporate Expenditure	<u>783,676,457</u>	<u>559,839,153</u>
Operating Profit	1,444,716,669	1,080,935,096
Less: Interest Expense	422,120,988	310,093,031
Profit Before Tax	<u>1,022,595,681</u>	<u>770,842,065</u>
(c) Other Information		
(i) Segment Assets		
Financial Services	2,024,979,451	1,638,963,464
Travel and Related Services	5,896,368,159	4,948,485,117
Human Resources	3,912,910,825	-
	<u>11,834,258,435</u>	<u>6,587,448,581</u>
Add: Unallocated Corporate Assets	<u>3,395,971,377</u>	<u>2,965,377,564</u>
	<u>15,230,229,812</u>	<u>9,552,826,145</u>
(ii) Segment Liabilities		
Financial Services	606,220,097	496,430,729
Travel and Related Services	3,625,998,585	1,774,729,229
Human Resources	2,096,206,321	-
	<u>6,328,425,003</u>	<u>2,271,159,958</u>
Add: Unallocated Corporate Liabilities	<u>2,013,659,384</u>	<u>2,897,438,352</u>
	<u>8,342,084,387</u>	<u>5,168,598,310</u>
(iii) Segment Capital Employed (Segment Assets less Segment Liabilities)		
Financial Services	1,418,759,354	1,142,532,735
Travel and Related Services	2,270,369,574	3,173,755,890
Human Resources	1,816,704,504	-
	<u>5,505,833,432</u>	<u>4,316,288,625</u>
Add: Unallocated Corporate Capital Employed	<u>1,382,311,993</u>	<u>67,939,210</u>
	<u>6,888,145,425</u>	<u>4,384,227,835</u>

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

	Year ended December 31, 2013	Year ended December 31, 2012
(iv) Capital Expenditure		
Financial Services	12,388,716	24,980,810
Travel and Related Services	68,524,611	82,257,439
Human Resources	155,678,951	-
	236,592,278	107,238,249
Add: Unallocated Corporate Capital Expenditure	32,866,464	39,850,915
	269,458,742	147,089,164
(v) Depreciation/Amortisation		
Financial Services	21,209,476	21,183,173
Travel and Related Services	80,678,603	89,483,349
Human Resources	36,996,288	-
	138,884,367	110,666,522
Add: Unallocated Corporate Depreciation/Amortisation	36,634,420	31,131,863
	175,518,787	141,798,385
(vi) Significant Non-Cash Expenditure		
Financial Services	(1,555,925)	296,238
Travel and Related Services	44,747,025	65,071,055
Human Resources	11,632,585	-
	54,823,685	65,367,293
(II) Information in respect of Secondary Segments		
(a) Segment Revenue		
India	12,374,737,934	3,749,046,909
Rest of the World	580,908,942	552,872,002
	12,955,646,876	4,301,918,911
(b) Carrying amount of Segment Assets		
India	10,977,879,222	5,960,598,072
Rest of the World	856,379,213	626,850,509
	11,834,258,435	6,587,448,581
Add: Unallocated Segment Assets	3,395,971,377	2,965,377,564
	15,230,229,812	9,552,826,145
(c) Capital Expenditure		
India	231,003,957	98,825,480
Rest of the World	5,588,321	8,412,769
	236,592,278	107,238,249
Add: Unallocated Capital Expenditure	32,866,464	39,850,915
	269,458,742	147,089,164



## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

### 37 Related Party Disclosures

- (A) Enterprises where control exists
- Holding Company Fairbridge Capital (Mauritius) Limited, Mauritius holds 74.96% of Equity Shares of the Company. Fairbridge Capital (Mauritius) Limited is a step down subsidiary of Fairfax Financial Holdings Limited, Canada the Ultimate Holding Company.
- (B) Other Related Parties with whom the Company had transactions during the year
- (i) Fellow Subsidiaries Fairfax (Barbados) International Corp.
- (ii) Key Management Personnel Madhavan Menon  
R. R. Kenkare  
Debasis Nandy  
Mahesh Iyer  
Rajeev Kale  
Amit Madhan  
Madhav Pai (up to July 16, 2013)  
Ambreesh Mahajan (up to December 16, 2013)  
Vinayak K. Purohit (up to August 17, 2012)  
Rakshit Desai (up to July 16, 2012)
- (iii) Relatives of Key Management Personnel Lili Menon

(C) Disclosure of transactions between the Company and Related Parties mentioned above and outstanding balances as at the year end:

	Year ended December 31, 2013	Year ended December 31, 2012
(i) Holding Company		
License Fees		
Thomas Cook UK Limited (up to August 14, 2012)	-	14,461,220
Reimbursement of Expenses (Net)		
Fairfax Financials Holdings Limited	16,401,802	-
Thomas Cook UK Limited (up to August 14, 2012)	-	5,905,110
Reimbursement of acquisition related expenses		
Fairbridge Capital (Mauritius) Limited	1,571,537	-
Dividend remitted		
Fairbridge Capital (Mauritius) Limited	69,620,147	-
TCIM Limited, UK	-	44,296,875
Thomas Cook UK Limited	-	17,004,918
Balances as at the year end -		
Outstanding Receivables		
Fairfax Financials Holdings Limited	1,308,501	-

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

	Year ended December 31, 2013	Year ended December 31, 2012
(ii) Fellow Subsidiaries		
Reimbursement of acquisition related expenses		
Fairfax (Barbados) International Corp.	639,150	-
Sale of Services*		
Thomas Cook Tour Operations Limited, UK (up to August 14, 2012)	-	188,633,410
Thomas Cook, Northern Europe (up to August 14, 2012)	-	4,986,636
Thomas Cook Signature (up to August 14, 2012)	-	12,482,857
Services Availed #		
Thomas Cook Overseas Limited, Egypt (up to August 14, 2012)	-	6,310,306
*Sale value of transactions		
# Purchase value of transactions		
(iii) Key Management Personnel		
Remuneration @		
Madhavan Menon	37,046,427	20,914,758
R. R. Kenkare	11,282,262	10,554,463
Debasis Nandy	12,436,609	3,154,658
Mahesh Iyer	7,653,452	-
Rajeev Kale	9,601,443	-
Amit Madhan	7,968,085	-
Ambreesh Mahajan (up to December 16, 2013)	15,953,721	1,254,355
Madhav Pai (up to July 16, 2013)	9,089,690	4,313,399
Vinayak K. Purohit (up to August 17, 2012)	2,504,611	17,455,087
Rakshit Desai (up to July 16, 2012)	1,828,732	31,313,277
Dr. D. Prasanth Nair (up to May 10, 2012)	-	4,022,147
Amitabh Pandey (up to August 31, 2012)	-	6,858,073
	<u>115,365,032</u>	<u>99,840,217</u>
@ Gratuity is contributed for the Company as a whole and hence excluded		
(iv) Relatives of Key Management Personnel		
Rent Expense		
Lili Menon	1,926,000	1,926,000
Balances as at the year end -		
Deposit Receivable		
Lili Menon	16,500,000	16,500,000

**38** 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 Note 16, Long-term Loans and Advances. The said asset is created by the way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company will review the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period (as per the Income Tax Act, 1961).

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

### 39 Training Fees

In the financial year 2011-12, IKYA was assigned a special project under Swaranjayanti Gram Swarozgar Yojana for placement linked skilled development training. Under the programme, IKYA has to train 8,000 below poverty line people (beneficiaries) over the period of 3 years. NABARD Consultancy Services Private Limited will provide a grant of ₹ 111,232,000 which will be in the form of a subsidy of ₹ 13,904 per beneficiary including a monitoring fee of 1.5%. IKYA will receive the funds in the ratio of 25:50:25 over a period of 3 years. IKYA has recognised revenue of ₹ 55,204,287 for the year ended March 31, 2012, ₹ 48,976,925 for the year ended March 31, 2013 and ₹ 7,050,788 for the period from May 14, 2013 to December 31, 2013 respectively, based on training provided to the beneficiaries till December 31, 2013 and had received fund amount of ₹ 99,025,470 and the project got closed.

In the period, IKYA was assigned a project for placement linked skill development of youth Srinagar, Baramulla, Anantnag, Pulwam, Jammu, Udhampur, Doda Districts of Jammu and Kashmir under Himayat (SEE J&K). Under the programme IKYA has to train 5,250 beneficiaries over the period of 3 years. The total cost of the project is ₹ 147,525,000 which shall be borne entirely by the Central Government. The funding shall be restricted to a maximum of ₹ 28,100 per beneficiary and include cost of skilling, post-placement support and monitoring fees of 2% for the project. The Central Government shall release the funds for the project as grant-in-aid to NIRD in three instalments in the ratio of 25:50:25 subject to terms and conditions. IKYA has received first instalment of ₹ 36,143,625 during the period. IKYA has recognised revenue of ₹ 3,126,125 for the period ended 31 December 2013, based on training provided to the beneficiaries.

In the period, IKYA was assigned a project for conducting training programme in Entrepreneurship and Skill Development (ESDP) in different trades. Under the programme, IKYA has to give training for 30 beneficiaries each in Web Designing (Project cost - ₹ 225,000), Computer Hardware and Networking (Project cost - ₹ 225,000), Two Wheeler Maintenance and Repair (Project cost - ₹ 225,000), Catering (Project cost - ₹ 94,000) and Wireman Training (Project cost - ₹ 94,000). IKYA will receive the funds in the ratio 20:60:20 from Ministry of Medium Small and Micro Enterprises (MSME). The Company has recognised revenue of ₹ 450,000 for the period ended December 31, 2013, based on the training provided to the beneficiaries and received the fund of ₹ 324,000.

In the period, IKYA was assigned a project for placement linked skill development training project under National Rural Livelihoods Mission (NRLM) scheme of Odisha Livelihood Mission (OLM). Under the programme IKYA has to train 900 beneficiaries and the total cost of the project is ₹ 10,890,000, restricted to a maximum of ₹ 12,100 per beneficiary, which shall be borne by Odisha Rural Development and Marketing Society. The fund will be released in the ratio 25:40:25:10. IKYA has recognised revenue of ₹ 6,576,010 for the period ended December 31, 2013, based on the training provided to the beneficiaries and received the fund of ₹ 1,376,375..

- 40 As reported, employees of the Group and other parties misappropriated assets aggregating to ₹ 10,371,251 (*Previous Year ₹ 5,866,459*) during the year. Out of this amount, the Group has recovered ₹ 2,093,897 so far. The cases are under investigation and the Company has taken steps for recovering the balance amount.

### 41 Institutional Placement Programme (IPP)

The Company issued and allotted 34,379,606 equity shares for cash at a price of ₹ 53.50 per equity share (including share premium of ₹ 52.50 per equity share) aggregating to ₹ 1,839,308,921 by way of an Institutional Placement Programme (IPP), on May 7, 2013, under Chapter VIII-A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, with the conditions prescribed by SEBI, vide its letters dated March 8, 2013 and April 15, 2013. Upon issue of equity shares under the IPP on May 7, 2013, the promoter, Fairbridge Capital (Mauritius) Limited's shareholding in Thomas Cook (India) Limited has reduced from 87.1% to 74.96% currently, in line with Clause 40A(ii)(d) of the Equity Listing Agreement.

The IPP Issue proceeds utilisation is as below :-

	Particulars	Amount in ₹	Amount in ₹
<b>Inflow</b>	IPP issue proceeds	-	1,839,308,921
<b>Outflow</b>	IPP issue expenses	(59,777,494)	
	Working capital requirements	(212,221,130)	
	Acquisition of 74.85 % stake on fully diluted basis in IKYA	(1,567,310,297)	(1,839,308,921)

### 42 Acquisition of IKYA Human Capital Solutions Limited

During the year the Company had acquired 74.85% equity stake on a fully diluted basis in IKYA Human Capital Solutions Limited "IKYA" on May 14, 2013 comprising of 7,525,914 Equity Shares of ₹ 10 each fully paid-up, 3,529,672 0.005% Mandatorily Convertible Preference Shares of ₹ 40 each fully paid-up (Tranche I), 1,873,333 0.005% Mandatorily Convertible Preference Shares of ₹ 15 each fully paid-up (Tranche II) and 7,717,912 0.001% Mandatorily Convertible Preference Shares of ₹ 100 each fully paid-up for a total consideration of ₹ 2,563,185,705. On October 18, 2013, Tranche I and Tranche II Preference Shares were converted into fully paid up 5,403,005 Equity Shares of ₹ 10 each. Accordingly, 12,928,919 fully paid-up Equity Shares of ₹ 10 each and 7,717,912 fully paid-up Mandatorily Convertible Preference Shares of ₹ 100 each are held in IKYA as at the Balance Sheet date. Expenses related to the acquisition amounted to ₹ 29,309,091 and have been included in the cost of the Equity Shares held as at the Balance Sheet date.

## Notes forming part of the Consolidated Financial Statements as at and for the year ended December 31, 2013

- 43** Consequent to acquisition of IKYA, consolidated financial statements for the year ended December 31, 2013 include the consolidated audited financial statements of IKYA for the period May 14, 2013 to December 31, 2013; consequently, consolidated financial statements for the year ended December 31, 2013 are not comparable with previous year.
- 44** In respect of Sri Lanka & Mauritius subsidiaries, the financial statements have been audited by the respective statutory auditors as per the local statutory requirements and the same have been considered for consolidation. However, for the purposes of Consolidated Statements and Consolidated Auditors' Report of the Company, the same are treated / considered as unaudited since they are not audited as per Indian GAAP. This treatment / consideration is in line with the standard accounting practices and principles as set by the Institute of Chartered Accountants of India (ICAI).
- 45 Merger of Sterling Holiday Resorts (India) Limited**

The Board of Directors of the Company, Thomas Cook Insurance Services (India) Limited & Sterling Holiday Resorts (India) Limited ("Sterling") have at their meetings held on February 7, 2014 approved a composite scheme of arrangement and amalgamation pursuant to which there will be: (i) a demerger of the resort and timeshare business from Sterling to TCISIL, and (ii) amalgamation of residual Sterling into the Company. Pursuant to the scheme, (i) 116 equity shares of the Company will be issued to the shareholders of Sterling for every 100 equity shares held in Sterling in consideration of the demerger of the resort and timeshare business of Sterling from Sterling to TCISIL; and (ii) 4 equity shares of the Company will be issued to the shareholders of Sterling for every 100 equity shares held in Sterling in consideration of the amalgamation of residual Sterling into the Company.

Further, the Company has agreed to subscribe to 36,000,000 equity shares of Thomas Cook Insurance Services (India) Limited ("TCISIL"), a wholly owned subsidiary of the Company, having face value of ₹ 10 each for an aggregate consideration of ₹ 7,200,000,000 at a premium of ₹ 190 per share. TCISIL will be using such funds for acquisition of shares of Sterling, including as follows: (i) subscription to 20,650,000 equity shares of Sterling, (ii) purchase of up to 18,007,677 equity shares of Sterling from certain existing shareholders, and (iii) an open offer for 26% of the diluted share capital of Sterling, in terms of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

In order to partly fund the investment proposed to be made by TCISIL in Sterling, the parent of the Company, being Fairbridge Capital (Mauritius) Limited has agreed to subscribe to compulsorily convertible preference shares to comply with the provisions of the FDI Policy, subject to receipt of applicable approvals and consents. Accordingly, the Company has proposed to create, offer, issue and allot in one or more tranches, on private placement and / or preferential basis, up to 6,250,000 compulsorily convertible preference shares of ₹ 10 each (CCPS) at a price of ₹ 800 each which includes a premium of ₹ 790 per CCPS of the Company, each such CCPS being convertible into 10 equity shares of the Company having face value of Re. 1 each to Fairbridge Capital (Mauritius) Limited.

All of the aforesaid transactions are subject to conditions precedent and regulatory approvals, as deemed necessary.

### 46 Previous Year Figures

Previous year figures have been reclassified to conform to this year's classification.

In terms of our report of even date

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

NAGNATH V PAI  
Partner  
Membership No. 036134

Mumbai, February 19, 2014

For and on behalf of the Board

MAHENDRA KUMAR SHARMA – Chairman  
MADHAVAN MENON – Managing Director  
R. R. KENKARE – President & Head - Legal & Company Secretary  
DEBASIS NANDY – President & Chief Financial Officer

Mumbai, February 19, 2014

## Information Regarding Subsidiary Companies Pursuant to Section 212 of the Companies Act, 1956

Name of the Subsidiary company	Financial year/period 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 year/period ended 31st December, 2013	For the Subsidiary Company's previous financial year/period	For the Subsidiary Company's financial period ended 31st December, 2013	For the Subsidiary Company's previous financial years
Travel Corporation (India) Limited	31.12.2013	1,576,698	100%	INR 34,869,942	INR 25,142,805	-	-
Thomas Cook Tours Limited	31.12.2013	50,000	100%	INR 6,726	INR 22,884	-	-
Thomas Cook Insurance Service (India) Limited	31.12.2013	50,000	100%	INR 1,442,591	INR (10,563,108)	-	-
Indian Horizon Travel and Tours Limited	31.12.2013	50,000	100%	INR 6,729	INR 22,884	-	-
TC Visa Services (India) Limited*	31.12.2013	50,000	100%	INR 2,713,104	INR (378,583)	-	-
Thomas Cook Lanka (Private) Limited	31.12.2013	3,881,256	100%	SLR 62,072,028 # INR 28,155,622	SLR 19,216,694 # INR 8,020,060	-	-
Thomas Cook (Mauritius) Holding Company Limited	31.12.2013	1,655,500	100%	USD (19,577) # INR (1,134,290)	USD (31,620) # INR (1,664,793)	-	-
Thomas Cook (Mauritius) Operations Company Limited**	31.12.2013	1,000,000	100%	MUR (4,603,176) # INR (8,651,254)	MUR 3,771,453 # INR 8,908,770	-	-
Thomas Cook (Mauritius) Travel Limited**	31.12.2013	13,100	100%	MUR (207,522) # INR (390,019)	MUR (172,196) # INR (300,718)	-	-
Thomas Cook (Mauritius) Holidays Limited**	31.12.2013	13,100	100%	MUR (3,959,223) # INR (7,441,000)	MUR (9,686,285) # INR (16,915,882)	-	-
IKYA Human Capital Solutions Limited	31.12.2013	12,928,917	68%	INR 59,159,991	-	-	-
Avon Facility Management Services Limited***	31.12.2013	3,256,302	100%	INR 29,947,627	-	-	-
Magna Infotech Limited***	31.12.2013	5,233,200	100%	INR 91,715,680	-	-	-
CoAchieve Solutions Private Limited***	31.12.2013	3,109,999	100%	INR (3,212,632)	-	-	-
Magna IKYA Infotech Inc –Philippines***	31.12.2013	86,000	100%	Phil Peso (857,455) # INR (1,188,312)	-	-	-

\* All shares are held by Travel Corporation (India) Limited

\*\* All the shares are held by Thomas Cook (Mauritius) Holding Co. Limited

\*\*\* All share are held by IKYA Human Capital Solutions Limited

# Equivalent INR for corresponding foreign currency

For and on behalf of the Board

MAHENDRA KUMAR SHARMA – Chairman  
MADHAVAN MENON – Managing Director  
R. R. KENKARE – President & Head - Legal & Company Secretary  
DEBASIS NANDY – President & Chief Financial Officer

Mumbai, February 19, 2014

## Brief Financial details in respect of Subsidiary Companies for the year ended December 31, 2013

Name of Subsidiary	Reporting Currency	Issued & subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Total income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
Travel Corporation (India) Limited	INR	15,766,980	641,992,254	1,063,236,799	1,041,500,796	636,023,231	381,656,420	51,211,144	16,341,202	34,869,942	-	India
Thomas Cook Insurance Services (India) Limited	INR	500,000	5,166,212	22,782,406	17,116,194	-	8,077,392	1,750,444	307,853	1,442,591	-	India
Thomas Cook Tours Limited	INR	500,000	(11,183)	505,780	16,963	-	40,717	8,373	1,647	6,726	-	India
Indian Horizon Travel & Tours Limited	INR	500,000	(11,345)	505,621	16,966	-	40,717	8,370	1,641	6,729	-	India
TC Visa Services (India) Limited*	INR	500,000	2,334,521	29,940,567	27,106,046	-	59,412,092	3,984,001	1,270,897	2,713,104	-	India
Thomas Cook Lanka (Private) Limited	INR	15,841,219	43,609,140	135,572,935	76,122,576	-	120,469,930	43,701,971	15,546,349	28,155,622	4,949,780	Sri Lanka
Thomas Cook (Mauritius) Holding Company Limited *	INR	38,812,560	69,644,956	287,027,240	178,569,724	-	265,588,622	96,345,589	34,273,561	62,072,028	10,479,391	Sri Lanka
Thomas Cook (Mauritius) Holding Company Limited *	INR	73,248,730	364,303	30,774,527	8,417,957	51,256,464	-	(1,134,290)	-	(1,134,290)	-	Mauritius
Thomas Cook (Mauritius) Operations Company Limited *	USD	1,655,500	(147,097)	505,226	137,240	1,140,417	-	(19,577)	-	(19,577)	-	Mauritius
Thomas Cook (Mauritius) Travel Limited *	INR	147,841,257	108,374,532	304,301,966	92,116,876	44,030,702	104,733,262	(8,861,212)	(209,958)	(8,651,254)	-	Mauritius
Thomas Cook (Mauritius) Holidays Limited *	MUR	100,000,000	24,988,369	148,445,988	44,936,879	21,479,260	55,726,703	(4,714,891)	(111,715)	(4,603,176)	-	Mauritius
Thomas Cook (Mauritius) Services Limited #	INR	2,322,400	(3,924,659)	2,325,628	3,927,887	-	3,038	(390,019)	-	(390,019)	-	Mauritius
Thomas Cook (Mauritius) Capital Solutions Limited #	MUR	1,310,000	(2,091,621)	1,134,499	1,916,120	-	1,617	(207,522)	-	(207,522)	-	Mauritius
Thomas Cook (Mauritius) Avon Facility Management Services Limited #	INR	5,547,396	(27,416,764)	38,020,201	59,889,568	-	17,583,794	(7,608,595)	(167,594)	(7,441,000)	-	Mauritius
Thomas Cook (Mauritius) Magna Infotech Limited #	MUR	3,826,000	(14,494,416)	18,547,190	29,215,605	-	9,356,023	(4,048,397)	(89,174)	(3,959,223)	-	Mauritius
Thomas Cook (Mauritius) CoAchieve Solutions Limited #	INR	961,759,270	615,280,459	1,794,032,381	1,273,020,152	1,056,027,500	5,249,813,338	56,746,561	(2,413,430)	59,159,991	-	India
Thomas Cook (Mauritius) Magna Infotech Limited #	INR	32,563,020	133,847,810	712,729,032	546,318,202	-	1,109,143,136	44,596,505	14,648,878	29,947,627	-	India
Thomas Cook (Mauritius) CoAchieve Solutions Limited #	INR	52,332,000	338,588,012	1,031,076,406	652,429,894	12,273,500	2,188,627,518	140,553,900	48,838,220	91,715,680	-	India
Thomas Cook (Mauritius) Magna Infotech Limited #	INR	31,100,000	(20,702,216)	12,075,747	1,677,963	-	9,832,867	(3,212,632)	-	(3,212,632)	-	India
Thomas Cook (Mauritius) Magna Infotech Inc - Philippines #	INR	11,954,000	(1,188,312)	12,714,593	1,948,905	-	-	(1,698,394)	(510,082)	(1,188,312)	-	Philippines
Thomas Cook (Mauritius) Magna Infotech Inc - Philippines #	Philippine Peso (P)	8,600,000	(857,455)	9,229,277	1,486,732	-	-	(1,224,507)	(367,052)	(857,455)	-	Philippines

Notes :

- i) \* These Companies have changed their accounting year end from September 30 to December 31. Accordingly, the current period figures represent the fifteen month period from October 1, 2012 to December 31, 2013.
- ii) # Figures for IKYA and its subsidiaries are for the period May 14, 2013 to December 31, 2013 (except Magna IKYA Infotech Inc which was incorporated on May 28, 2013)
- iii) Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies are based on exchange rates as on 31st December, 2013.

For and on behalf of the Board

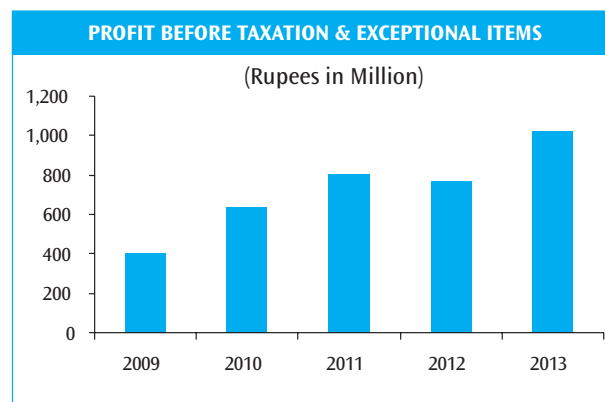
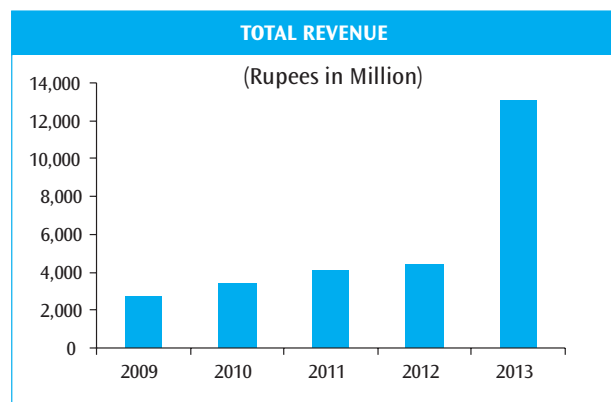
MAHENDRA KUMAR SHARMA	- Chairman
MADHAVAN MENON	- Managing Director
R. R. KENKARE	- President & Head - Legal & Company Secretary
DEBASIS NANDY	- President & Chief Financial Officer

## Consolidated Five Financial Years' Performance

(Rupees in Million)

	2013	2012	2011	2010	2009
Total Revenue	13,054.0	4,405.1	4,105.4	3,410.2	2,751.4
Total Expenditure	12,031.4	3,634.2	3,298.9	2,773.9	2,346.5
Profit Before Taxation & Exceptional Item	1,022.6	770.8	806.4	636.3	404.9
Exceptional Item	-	-	-	100.0	-
Profit Before Taxation	1,022.6	770.8	806.4	736.3	404.9
Profit After Taxation and Minority Interest	622.2	504.4	562.4	471.6	250.1
Proposed Dividend	92.9	79.9	79.5	79.4	79.3
Dividend Tax	16.3	13.0	12.3	13.2	13.6
Dividend (%)	37.5	37.5	37.5	37.5	37.5
Earning per Share - Basic (₹ Per Equity Share of ₹ 1 each)	2.64	2.37	2.65	2.23	1.19
<b>Sources of Funds</b>					
Equity Share Capital	247.7	213.2	212.0	211.8	211.5
Preference Capital	5.9	5.9	5.9	5.9	5.9
Reserves & Surplus	6,634.5	4,165.2	3,704.8	3,189.7	2,802.5
Shareholders' Funds	6,888.1	4,384.2	3,922.7	3,407.4	3,019.9
Loan Funds	1,802.5	1,862.6	2,248.9	1,998.3	1,686.8
<b>Total Sources of Funds</b>	<b>8,690.6</b>	<b>6,246.8</b>	<b>6,171.6</b>	<b>5,405.7</b>	<b>4,706.7</b>
<b>Application of Funds</b>					
Fixed Assets	4,797.8	2,470.8	2,486.1	2,458.0	2,184.8
Investments	2,081.0	1,097.5	382.7	155.8	356.1
Net Current Assets#	1,811.8	2,678.5	3,302.8	2,791.9	2,165.7
<b>Total Application of Funds</b>	<b>8,690.6</b>	<b>6,246.8</b>	<b>6,171.6</b>	<b>5,405.7</b>	<b>4,706.7</b>

# Net of Deferred Tax Liability.





## THOMAS COOK (INDIA) LIMITED - OFFICES

**MAHARASHTRA****Head Office**

Thomas Cook (India) Limited  
Thomas Cook Building  
Bldg. 324, Dr. D. N. Road  
Fort, Mumbai – 400001  
Tel. No. 022-6160 3333

**Andheri**

Thomas Cook (India) Limited  
A 1/2, Silver Arch  
Srinivas Bagadkar Marg, J. B. Nagar  
Off Tarun Bharat Layout  
Andheri (East)  
Mumbai – 400059  
Tel No. 022-66093353

**Sahar**

Thomas Cook (India) Limited  
Flat no. 4, Ground floor,  
Opp. P & T Colony,  
Sahar Road, Andheri (East)  
Mumbai – 400099

**Oshiwara**

Thomas Cook (India) Limited  
Shop No. 26, Meera Co-Op. Hsg. Soc. Ltd.,  
New Link Road, Near Oshiwara Police Station,  
Andheri (West), Mumbai – 400053  
Tel No. 022-64557603

**Prabhadevi**

Thomas Cook (India) Limited  
Ground Floor, Shop No.6,  
Kohinoor Corner, 1218, V Savarkar Marg,  
Mumbai – 400025  
Tel No. 022-67520762

**Chembur**

Thomas Cook (India) Limited  
Corporate Park, Unit No. 8  
Sion – Trombay Road  
Chembur, Mumbai – 400071  
Tel No. 022-6160 3333

Thomas Cook (India) Limited  
Krishna Kunj, Shivpuri,  
Flat No. 18/B, Ground Floor,  
S T Road, Chembur,  
Mumbai – 400071  
Tel No. 022-25288601- 4

**Seepz**

Thomas Cook (India) Limited  
SEEPZ, Near SDF1 Building,  
Andheri East,  
Mumbai – 400096  
Tel No. 022-66093401

**Bandra**

Thomas Cook India Ltd  
Shop Nos.A-2 & A-3,  
New Kamal Co-op, Housing Society Ltd.,  
Plot No.248, TPS III, Linking Road,  
Opp.National College, Bandra (W),  
Mumbai – 400050  
Tel No. 64552035 / 64552074

**Colaba**

Thomas Cook (India) Limited  
22/B, Ground Floor,  
Cusrow Baug,  
Colaba Causeway,  
Mumbai – 400005  
Tel. No. 022-66092605 / 8

**Powai**

Thomas Cook (India) Limited  
Delphi Wing - A, Shop No. 2, Ground Floor,  
Hiranandani Business Park, Powai,  
Mumbai – 400076  
Tel No. 022-66093426 / 20

**Lower Parel**

The Phoenix Mills Limited  
Phoenix Mills Compound,  
462, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400013  
Tel No. 022-24955242

**Borivali**

Thomas Cook (India) Limited  
Shop No. 2, Bhattad Towers,  
Kora Kendra, Borivali (W)  
Mumbai – 400092  
Tel. No. 022-65992738

**Thane**

Thomas Cook (India) Limited  
Abhimaan II,  
Ground Floor, Shop No 5,6,&7,  
LBS Road, Teen Hath Naka,  
Thane (West) – 400602  
Tel No. 022-67935408 / 4

**Vashi**

Thomas Cook (India) Limited  
Shop No. 4,  
Grain Merchant Co – Op Society Ltd.,  
No. 26 / 35, Sector 17,  
Vashi, Navi Mumbai – 400705.  
Tel No. 022-66097010 / 11

**Jalgaon**

Thomas Cook (India) Limited  
Shop Nos. G2, G12, & G17,  
Jt Chambers,  
Court Chowk,  
Jalgaon – 425001  
Tel No. -0257 – 2214091

**Pune**

Thomas Cook (India) Limited  
Shop No. 4 & 13,  
Thackers House,  
2418 Gen. Thimmaya Road  
Pune – 411001  
Tel .No. 020-66007901

**Chinchwad**

Thomas Cook (India) Limited  
A22, Empire Estate, Ground Floor,  
Mumbai-Pune Road,  
Chinchwad, Pune – 411019  
Tel No. 020-65100161

**Hinjewadi**

Thomas Cook (India) Limited  
Hotel Tamanna Executive, Plot No.7,  
Pune Infotech Park, Opp. Infosys, Hinjewadi,  
Pune – 411027  
Tel. No. 020-22934180

**Dhole Patil**

Thomas Cook (India) Limited  
Shop No 7,  
P T Gera Centre,  
Dhole Patil Road,  
Pune – 411001  
Tel No. -022- 66464380

**Bhandarkar Rd.**

Thomas Cook (India) Ltd Showroom 1,  
Amar House, CTS 892/MP-1,  
Final Plot No. 268,  
Bhandarkar Road, Shivajinagar,  
Pune – 411001  
Tel No. 020-66099670

**Gulmohar**

Thomas Cook (India) Limited  
Office No. 201, 2nd Floor,  
'A' Wing, Gulmohar Apartments,  
2420, Gen. Thimmaya Road (East Street),  
Pune – 411001  
Tel No. 020-66220628

**Phoenix Market City**

Thomas Cook (India) Ltd  
Phoenix Market City ( Vamona Developers  
Pvt Ltd), S.No. 207, Viman Nagar Road,  
Pune – 411014

**Ratnagiri**

Thomas Cook (India) Ltd  
Shop No 10, Shankeshwar Heritage,  
Arogya Mandir,  
Shivaji Nagar,  
Main Road,Opp.HDFC Bank,  
Ratnagiri – 415612  
Tel No. 0253-225551/52/53

**Aurangabad**

Thomas Cook (India) Limited  
Shop 3 & 4, Chetan Trade Centre,  
Opp., St.Francis School, Jalna Road,  
Aurangabad – 431001  
Tel No. 0240-6602795 - 2799

**Nagpur**

Thomas Cook (India) Limited  
Shop Nos. 1, 2 & 3  
Oasis Plaza, Gokul Peth  
Off WHC Road, Laxmi Bhavan Square  
Nagpur – 440010  
Tel No. 0712-6647635

**Kolhapur**

Thomas Cook India Limited  
G8,G9. Rayson Prestige.  
Opposite Hotel Damani, Tarabai Park.  
Kolhapur – 416003  
Tel No. 0231-6616426 / 6490467

Website : [www.thomascook.in](http://www.thomascook.in)  
E-mail : [holidays@thomascook.in](mailto:holidays@thomascook.in)

Toll-free 1800-2099-100

SMS Short Key > Holidays send to No. 56767100

**ANDHRA PRADESH****Hyderabad**

Thomas Cook (India) Limited  
Nasir Arcade, 6-1-57, Saifabad  
Hyderabad – 500004  
Tel No. 040-66742744

**Hitech City**

Thomas Cook (India) Limited  
“A” Core, Cyber Towers, Podium Level,  
Hitech city, Ground Floor,  
Madhpur, Hyderabad – 500033  
Tel No. 040-66442723

**Secunderabad**

Thomas Cook A Sai Kishore (India) Limited  
160-D, Patny Nagar,  
Opp: Ashok Bhoopal Chambers  
Beside: Fortune Nissan Car Showroom,  
Sardar Patel Road, Begumpet,  
Secunderabad – 500003  
Tel No. 040-66386603

**Vijayawada**

Thomas Cook (India) Limited  
1st Floor, 39-1-68 A,  
Labbipet, M. G. Road,  
Vijayawada – 520010  
Tel No. 0866-6636436

**Vishakapatnam**

Thomas Cook (India) Limited  
Eswar Plaza, 47-14-7, Ground Floor,  
Dwarka Nagar,  
Vishakapatnam – 530016  
Tel No. 0891-6692581

**Tirupati**

Thomas Cook (India) Ltd.  
10-14-582-1, Shop No. 3,4,5,  
1st flr, V.V.Mahal Shopping Complex,  
Mosque Road,  
Tirupathi – 517501  
Tel No. 0877-6640761/2/3

**ASSAM****Guwahati**

Thomas Cook (India) Limited  
Divine Plaza, Ground Floor,  
G.S. Road, Near New Secretariat,  
Guwahati – 781005  
Tel No. 0361-2229932

**BIHAR****Patna**

Thomas Cook (India) Limited  
C/o. Travel Corporation (India) Limited  
Hotel Maurya Centre,  
South Gandhi Maidan,  
Patna – 800001  
Tel No.0612-2221699

**Siwan**

Thomas Cook (India) Limited  
Shop No.8 & 9, Ahmed Market,  
Rajendra Path, Siwan – 841226  
Tel No. 06154-243033 / 243044

**CHATTISGARH****Raipur**

Thomas Cook (India) Limited  
G-209, SLT WATERFRONT,  
Gr.flr, Opp. Telibandha Lake,  
Nr. Telibandha Gurdwara, Gaurav Path  
Raipur – 492006  
Tel No. 0771-6450280

**GOA**

Thomas Cook (India) Limited  
8, Alcon Chambers,  
Dayanand Bandodkar Marg,  
Panaji, Goa - 403001  
Tel No. 0832- 6639256

**Calangute**

Thomas Cook (India) Limited  
H. N. 111/C, First Floor,  
Naika Vaddo, Calangute,  
Goa – 403516  
Tel No. 0832 - 2282455

**Margao**

Thomas Cook (India) Limited  
Shop No.12, Ground Floor,  
Gardem View Building, Block C,  
Margao, Goa – 403602  
Tel No. 0832-2710208

**GUJARAT****Ahmedabad**

Thomas Cook (India) Limited  
30-33, SUPERMALL, Near Lal Bungalow,  
C. G. Road, Ahmedabad – 380009

**C.G. Road**

Thomas Cook (India) Limited  
18 - 19, Upper Level, Mardia Plaza,  
C.G. Road, Ahmedabad - 380006  
Tel No. 079-66633233

**Mani Nagar**

Thomas Cook (India) Limited  
Shop G-2, Sukh Chain Complex, Radha  
Vallabh Colony, Jawahar Chowke,  
Mani Nagar, Ahmedabad – 380008  
Tel No 079-25462965

**Anand**

Thomas Cook (India) Limited  
G-4, Maruti Sumiran Complex,  
Opp. Nand Bhoomi, Anand,  
Anand Vidya Nagar Road,  
Anand – 388001  
Tel No. 02692-656411

**Baroda**

Thomas Cook (India) Limited  
Landmark Tower  
Shop 1-3, Ground Floor,  
Race Course Road, Vadodara,  
Baroda – 390007  
Tel No. 0265-6634703

**Bhuj**

Thomas Cook (India) Limited  
Shop No. 2, Lav Kush Apartment,  
Hospital Road, Bhuj – 370001  
Tel No. 02832-256469

**Navsari**

Thomas Cook (India) Limited  
Shop No 1 & 2 Upper level,  
S.P Apartment, Opp. Nagarpalika Shopping Centre,  
Dudhiya Talav Road,  
Navsari – 396445  
Tel No. 02637-652329

**Rajkot**

Thomas Cook (India) Limited  
Shop No. 4 & 5, Shree Jee Complex,  
Near Swami Narayan Temple,  
Kalawad Road, Rajkot – 360001  
Tel No. 0281-2454459

**Porbandar**

Thomas Cook (India) Limited  
Sky Complex, Shop No.11/1035,  
M.G. Road, Nr. Krishna Travels,  
Porbandar – 360575  
Tel No. 0286-2241222

**Surat**

Thomas Cook (India) Limited  
Shop No. UG-1, Raj Hans Plaza,  
God Dod Road, Surat – 395007  
Tel No. 0261-6592480

**HARYANA****Karnal**

Thomas Cook (India) Limited  
Shop No. 201, Part 1, Sector 12,  
Karnal, Haryana  
Tel No. 0184-6531566

**HIMACHAL PRADESH****Mcleodganj**

Thomas Cook (India) Limited  
Shop No. 20,  
Runchal's Mount View Complex,  
Mcleodganj, Tehsil Dharamsala,  
District – Kangra – 176219  
Tel No. 01892-645032

**KARNATAKA****Bangalore**

Thomas Cook (India) Limited  
No 70, 2nd & 3rd floor, M.G.Road,  
Bangalore – 560001  
Tel No. 080- 67178800

**Whitefield Road, ITPL**

Thomas Cook (India) Limited  
12, Ground floor, International Tech Park,  
Whitefield Road,  
Bangalore – 560066  
Tel No. 080-28410567

**Koramangala**

Thomas Cook (India) Limited  
Unit No. G-6,  
Municipal No. 121/3,  
Ground Floor,  
Salarpuria Money Center,  
121 Koramangala Industrial Layout,  
Bangalore – 560095  
Tel No. 080-41206985

**Electronic City**

Thomas Cook (India) Limited  
Shop No. 6 & 7, Ground Floor  
Konappana Agrahara,  
1st Phase Electronic City,  
Bangalore – 560100  
Tel No. 080-6456309

**Malleswaram**

Thomas Cook (India) Limited  
No. 315, Ground Floor,  
15th Cross, Sampige Road,  
Malleswaram, Bangalore – 560003  
Tel No. 080-65370034

**Whitefield, Inorbit**

Thomas Cook (India) Limited  
(Magna Warehousing & Distribution Pvt.Ltd)  
G1, G1K6, Gr. flr, Inorbit,  
Whitefield, No. 75, TPPI Area,  
Bangaluru – 560066  
Tel No. 080- 65477333

**Mangalore**

Thomas Cook (India) Limited  
A1 / B1, Ground Floor,  
Ram Bhavan Complex,  
Nav Bharat Circle,  
Kodialbail,  
Mangalore – 575003  
Tel No. 0824-6450583

**Mysore**

Thomas Cook (India) Limited  
Shop No 5, Hari Plaza Building,  
Dewans Road, Mysore – 570001  
Tel No. 0821-2420090

**Hubli**

Thomas Cook (India) Limited  
(M. No. 3005), First Floor,  
Umachigi Shopping Complex,  
Coen Road,  
Hubli – 580020  
Tel No. 0836-6444003

**Udupi**

Thomas Cook (India) Limited  
Shop No. 26C, Ground Floor,  
Vasuki Towers, Thaluk Office Road,  
Udupi – 576101  
Tel No. 0820-2527132

**JHARKHAND****Jamshedpur**

Thomas Cook (India) Limited  
Nalanda Hotel, 3 S.B. Shop Area,  
Opposite Ram Mandir,  
Bistupur, Jamshedpur – 831001  
Tel No. 0657-6452536

**KERALA****Cochin**

Thomas Cook (India) Limited  
Palal Towers, 1st floor,  
Right Wing, M. G. Road,  
Cochin – 682016  
Tel No. 0484-6607708

**Lulu Mall**

Thomas Cook (India) Limited  
Shop No. G72, Ground Floor,  
LULU International Shopping Mall Pvt.Ltd.  
50/2392, Edapally, Cochin – 682024.  
Tel No. 0484-2728010

**Kottayam**

Thomas Cook (India) Limited  
No.XIII/6A, Kailash Building,  
Near SBT Main Branch,  
Kottayam – 686001  
Tel No. 0481-6450197

**Trivandrum - Soundarya Bldg,**

Thomas Cook (India) Limited  
TC 25/2421 (India),  
Ground Floor, Soundarya Bldg,  
M.G. Road, Trivandrum – 695001  
Tel No. 0471-2338140

**Trivandrum - Puthen Chanthai**

Thomas Cook (India) Limited  
TC 25/2510(7), 3rd Floor,  
Pan African Plaza,  
Puthen Chanthai, M. G. Road,  
Trivandrum 695 001  
Tel No. 0471-6450213

**Kozhikode**

Thomas Cook (India) Limited  
5/3283, A 11-15, Sky Tower Shopping Mall  
Bank Road Jn  
Kozhikode – 673001  
Tel No. 0495-6451149

**Kannur**

Thomas Cook (India) Limited  
Ground Floor,  
Rasheedha Building,  
Fort Road, Kannur – 670001  
Tel No. 0497-6450593

**Thrissur**

Thomas Cook (India) Limited  
Shop. No. 19/44/07, Ground Floor,  
Centre Point, M. G. Road,  
Thrissur – 680004  
Tel NO. 0487-6444989

**Kollam**

Thomas Cook (India) Limited  
1st Flr, Building Survey no. 230/62-2,  
Number 25/1448-1403B,  
Aradhana Building, High School Jn,  
Kollam, Kerala – 691013  
Tel No. 0474- 2799121

**MADHYA PRADESH****Indore**

Thomas Cook (India) Limited  
Shop No. UG-1 & UG-9,  
Royal Gold,  
4 Yeshwant Niwas Road,  
Indore – 452001  
Tel No.0731-6454840

**Bhopal**

Thomas Cook (India) Limited  
Alankar Complex,  
Ground Floor,  
Plot No. 10, M.P. Nagar,  
Zone- II, Bhopal – 462011  
Tel NO. 0755-6463506

**NEW DELHI**

Thomas Cook (India) Limited  
C-35 Connaught Place  
Inner Circle, New Delhi - 110 001  
Tel No. 011-66271900

**Nehru Place**

Thomas Cook (India) Limited  
GF-10 Satyam Cineplex,  
Plot No. 45, Nehru Place,  
District Centre,  
New Delhi – 110019  
Tel No. 011-26467484

**Punjabi Bagh**

Thomas Cook (India) Limited  
Punjabi Baug Branch,  
Basement 24, Central Market,  
Punjabi Bagh West,  
New Delhi – 110 026  
TEL No. 011-45418000

**Gurgaon**

Thomas Cook (India) Limited  
First India Place,  
Unit no. 6, Gr. Floor,  
Sushant Lok Phase 1,  
Mehrauli, Gurgaon Road,  
Gurgaon – 122002  
Tel No. 0124-2389586

**Udyog Vihar**

Thomas Cook (India) Limited  
Plot No. 520,  
Phase – III, Udyog Vihar,  
Gurgaon  
Tel No. 0124-6540280

**Apparel House**

Thomas Cook (India) Limited  
Apparel House,  
Institutional Area,  
Sector-44, Gurgaon – 122003  
Tel No. 0124-2570764

**ORRISA****Bhubaneswar**

Thomas Cook (India) Limited  
130 Ashok Nagar,  
Janpath, Bhubaneswar  
Tel no. 0674-2539893

**PUNJAB****Chandigarh**

Thomas Cook (India) Limited  
SCO 16/17/28/29/30,  
Sector 9 – D,  
Madhya Marg,  
Chandigarh – 160017  
Tel No. 0172-6610907 / 01

**Jalandhar**

Thomas Cook (India) Limited  
Gurmeet Building,  
Opp.President Hotel, Police Lines,  
Jalandhar – 144001.  
Tel No. 0181-6450194 / 70

**Amritsar**

Thomas Cook (India) Limited  
Shop No. 7- A, 1st Floor,  
Urban Circle No.110,  
6 Lawrence Road,  
Near State Bank of Jaipur,  
Amritsar – 143001  
Tel No. 0183-5012327 / 5013535

**Batala**

Thomas Cook (India) Ltd,  
Shope No. 1, Ghuman Market,  
Near Sukha Singh Chowk,  
Jalandhar Road,  
Batala – 143505  
Tel No. 01871-505470 / 1

**Ludhiana**

Thomas Cook (India) Limited  
SCO 32 (Mezzanine Floor),  
Feroze Gandhi Market,  
Ludhiana – 141001  
Tel No. 0161-6614901/ 02 /06

**Patiala**

Thomas Cook (India) Limited  
S.C.O 156 Ground Floor  
Leela Bhawan Market,  
Patiala – 147001  
Tel No. 0175-6539401

**Phagwara**

Thomas Cook (India) Limited  
Indian Bank Building,  
G T Road,  
Phagwara – 144401  
Tel No. 01824-645952

**Kapurthala**

Thomas Cook (India) Limited  
45, Aman Nagar,  
Jaskirat Complex,  
Jalandhar Road,  
Kapurthala – 144601.  
Tel No. 01822-657942 / 750

**Nawanshahr**

Thomas Cook (India) Limited  
B-1/100, Opp.  
Adarsh Bal Vidyalaya,  
Banga Road, Nawanshahr  
Tel No. 01823-503439

**Moga**

Thomas Cook (India) Ltd  
Chaudhary Complex,  
Corner Chakki Wali Gali,  
G. T. Road, Moga – 142001  
Tel No. 01636-500131 / 2

**RAJASTHAN****Ajmer**

Thomas Cook (India) Limited  
2nd Floor, 3/7, Kotwali Scheme,  
Khailand Market, Prithvi Raj Marg,  
Ajmer – 305001  
Tel No. 0145-2629616

**Jaipur**

Thomas Cook (India) Limited  
2 A&B, (102) Jaipur Towers,  
Mirza Ismail Road,  
Jaipur – 302001  
Tel No. 0141-2360940 / 5114141

**Jodhpur**

Thomas Cook (India) Limited  
Shop No. 1,  
Mahaveer Complex,  
Ajeet Colony,  
Jodhpur – 342001  
Tel No. 0291-2512064 / 66

**Udaipur**

Thomas Cook (India) Limited  
Shop No. 3/4,  
Rang Niwas Palace Hotel,  
Lake Palace Road,  
Udaipur – 313001  
Tel No. 0294-2423358 / 59

**TAMIL NADU****Chennai - Eldorado**

Thomas Cook (India) Limited  
G4, Eldorado Building  
112, Numgambakkam High Road  
Chennai – 600034  
Tel No. 044-64548689 / 90

**Chennai - Ceebros**

Thomas Cook (India) Limited.  
Ceebros Centre,  
45 Montieth Road,  
Chennai – 600 008  
Tel No. – 044-66774600

**Adyar**

Thomas Cook (India) Limited  
# 12, Lattice Bridge Road  
K.R. Buildings,  
Ground Floor, Adyar,  
Chennai – 600020  
Tel No. 044-64549739/ 64549742

**Spencer Plaza**

Thomas Cook (India) Limited  
G17 A & B, Shope No.14.15C & 20.  
Phase I, Spencer Plaza,  
Chennai – 600002  
Tel No. 044-28492427 / 23

**Anna Nagar**

Thomas Cook (India) Limited  
Block AC 9/1, 2nd Avenue,  
Annanagar, Chennai – 600040  
Tel No. 044-26203054

**Heavitree**

Thomas Cook (India) Limited  
Door No. 47(Old no. 23),  
(Heavitree Building)  
Spur Tank Road,  
Chetput, Chennai – 600031  
Tel No. 044-66632602 / 30

**Coimbatore**

Thomas Cook (India) Limited  
No 14 & 15, City Center, First Floor,  
East Arokiyasamy Road,  
R.S.Puram, Coimbatore – 641002  
Tel No. 0422-6450753 / 52

**Madurai**

Thomas Cook (India) Limited  
Shop No. 2, Ground Floor,  
G.V. Towers, 2/3. Melkal Road,  
Near Passport Office,  
Kochadai, Madurai – 625010  
Tel No. 0452-6444878 / 6444882

**Pondicherry**

Thomas Cook (India) Limited  
No. 351, Ground Floor,  
M.G. Road,  
Pondicherry – 605001  
Tel No. 0413- 6459092

**Trichy**

Thomas Cook (India) Limited  
JC TOWER,  
Shop No. M2, Mezzanine floor,  
Next to Modern Computer Shop,  
Karur By- pass Road,  
Trichy – 620018  
Tel No. 0431-6452023 / 27

**Tirunelveli**

Thomas Cook (India) Ltd  
Suryey No. 84/2A & 120/ 2A,  
Bldg. Door No.(27/1), Ground Floor,  
AAA Complex, By-Pass Road,  
Vannarapettai,  
Tirunelveli – 627003  
Tel No. 0462-2501151 / 52 / 53

**UTTARANCHAL****Dehradun**

Thomas Cook (India) Limited  
1st Floor, 67 / 3, Rajpur Road,  
Dehradun – 248001, Uttaranchal  
Tel No. 0135-2740586

**UTTAR PRADESH****Agra**

Thomas Cook (India) Limited  
Shop No. G 1,  
18/165 Crystal Tower  
Fatehbad Road, Agra – 282001  
Tel No. 0562-6458201 / 194

**Noida**

Thomas Cook (India) Limited  
K-10, First Floor,  
Near HSBC Bank,  
Sector-18, Noida – 201301  
Tel No. 0120-4762000/ 6460635

**Varanasi**

Thomas Cook (India) Limited  
S-20/51-4,  
Sridas Foundation,  
The Mall, Cantt Varanasi  
Varanasi – 221002  
Tel No. 0542-2509946 / 6450224

**Lucknow**

Thomas Cook (India) Limited  
68, Hazrat Ganj,  
First Floor, Opp. Gandhi Ashram,  
Lucknow – 226001  
Tel No. 0522-6459454 / 6459095

**WEST BENGAL****Kolkatta**

Thomas Cook (India) Limited  
19B, Shakespeare Sarani  
1st Floor Kolkatta – 700071  
Tel No. 033-66526246 / 31

**Salt Lake**

Thomas Cook (India) Limited  
Module 304, SDF Building,  
Block EP & GP Sector V,  
Salt Lake, Bidhan Nagar  
Kolkatta – 700091  
Tel No. 033- 66526214 / 15

**Lake Garden**

Thomas Cook (India) Limited  
378, Lake Garden,  
1st Floor, South City Mall  
P. S. Lake,  
Kolkatta – 700045  
Tel No. 033-64542163

**Lake Town**

Thomas Cook (India) Limited  
238, Lake Town, Block B,  
Kolkatta – 700089  
Tel No. 033-64500699

## AIRPORT COUNTERS

**MUMBAI**

Thomas Cook (India) Ltd  
Sahar International Airport,  
Sahar,  
Mumbai 400 099  
Tel No. 9920072921 (24 X 7)

**COCHIN**

Thomas Cook (India) Limited  
Cochin International Airport Ltd.  
Vapalassery, Angamally  
Nedumbassery  
Ernakulam - 680 535  
Tel No. 0484-2610052

**NEW DELHI**

Thomas Cook (India) Limited  
Indira Gandhi Intl. Airport  
Terminal I & Terminal II,  
New Delhi – 110 037  
Tel No. 011-49633758

**TRIVANDRUM**

Thomas Cook (India) Limited  
Airports Authority of India, Trivandrum  
New International Terminal Building (NITB)  
International Airport, Chackai, Trivandrum  
Tel No. Arrival-0471 2505242  
Departure- 0471 2505262

## THOMAS COOK (INDIA) LIMITED - CENTRE OF LEARNING OFFICES

**MUMBAI**

Thomas Cook Centre of Learning  
Hitkari House,  
284 Shahid Bhagat Singh Road,  
Near GPO, Fort, Mumbai 400001  
Tel.-022-66091685 / 66091686 / 66091688

**PUNE**

Thomas Cook Centre of Learning  
201, Gulmohar Apt, 2nd Floor, 2420,  
G T road, East Street,  
Pune – 411001  
Tel.-020 - 66220624

## INTERNATIONAL BRANCHES OF SUBSIDIARIES - THOMAS COOK (INDIA) LIMITED

**BARCELONA**

Travel Corporation (India) Limited  
Aribau 265, 4 -1,  
08021, Barcelona, SPAIN  
Tel: 0034932001415, 0034932412255

**MADRID**

Travel Corporation (India) Limited  
C/Cristobal Bordiu,  
35 – Oficina 410,  
28003, MADRID  
SPAIN  
Tel: +34 915 545 457

**LONDON**

Travel Corporation (India) Limited  
c/o Thomas Cook PLC  
1st Floor 37 Panton Street  
London  
Tel: +(0) 7917 526122

**GERMANY**

Travel Corporation (India) Limited  
Joachim-Becher-Strass 8,  
60320 Frankfurt. Germany  
Tel: 069-565353.

**NEW YORK**

Travel Corporation (India) Limited  
358 Fifth Avenue Suite 1201, New York, NY 10001  
Telephone: 212 -935 4825/ 935 5193

**JAPAN**

Travel Corporation (India) Ltd  
502, Tachibana Building, 3-14-15, Shibaura,  
Minato-ku Tokyo 108 0023, Japan  
Tel No : 0081 – 334565961/ 0081 8054248934

## TRAVEL CORPORATION (INDIA) LIMITED - OFFICES

**MUMBAI**

Travel Corporation (India) Limited  
Thomas Cook Building, 324 Dr. D. N. Road,  
Fort, Mumbai – 400 001  
Tel: +91 22 61603333  
Fax: +91 22 66091595

**Nariman Point**

Travel Corporation (India) Limited  
Chander Mukhi, First Floor,  
Nariman Point, Mumbai – 400 021  
Tel: +91 22 6609 0000

**GURGAON**

Travel Corporation (India) Limited  
520, Udyog Vihar Phase III,  
Gurgaon-1220016 (Haryana)  
Tel: +91 124-6120100

**GOA**

Travel Corporation (India) Limited  
101, Citi Center, 19 Patto Plaza,  
Panjim, Goa – 403 001  
Tel: +91 832 6639148 – 49  
Fax: +91 832 2438913/12

**VARANASI**

Travel Corporation (India) Limited  
Shri Das Foundation,  
S20/51 – 5 & S20/52 – 4,  
The Mall Road, Varanasi – 221 002  
Telefax: +91 542 2500866

**AGRA**

Travel Corporation (India) Limited  
Hotel Clarks Shiraz, 54 Taj Road,  
Agra – 282 001  
Tel: +91 562 2226521/22/23  
Fax: +91 562 2226524

**JAIPUR**

Travel Corporation (India) Limited  
19-C, 1st Floor, Gopal Bari, Ajmer Road,  
Jaipur - 302 001  
Tel: +91 141 2369861  
Fax: +91 141 2369767

**JODHPUR**

Travel Corporation (India) Limited  
Shop No. 1, 184 Mahavir Palace,  
New Circuit House, Jodhpur – 342 006  
Tel: +91 291 2514176  
Fax: +91 291 2512282

**UDAIPUR**

Travel Corporation (India) Limited  
Shop No. 2, Ram Nivas Palace Complex,  
Lake Palace Road, Udaipur – 313 001  
Tel: +91 294 2423201  
Fax: +91 294 2522300

**BANGALORE**

Travel Corporation (India) Limited  
Thomas Cook Building, No 70, 2nd & 3rd floor,  
M.G.Road, Bangalore 560 001  
Tel No. 080- 67178806

**CHENNAI**

Travel Corporation (India) Limited  
“Heavitree”, 47 Spurtank Road,  
Chetpet, Chennai – 600 031  
Tel: +91 44 66632627

**COCHIN**

Travel Corporation (India) Limited  
Telstar Bldg, 1st Floor, P.B. No 2427,  
Ravi Puram, M.G. Road,  
Cochin 682 016  
Tel: +91 484 6563215  
Fax: +91 484 2359

**TRIVANDRUM**

Travel Corporation (India) Limited  
Arya Nivas, VP IX/750, Beach Road,  
Kovalam, Trivandrum  
Tel: +91 471 6450295  
Fax: +91 471 2485462

## TRAVEL CORPORATION (INDIA) LIMITED - SUBSIDIARY - TC VISA SERVICES (INDIA) LIMITED

**MUMBAI**

TC Visa Services (India) Limited  
Chander Mukhi, First Floor,  
Nariman Point, Mumbai – 400 021  
Tel: +91 22 6609 0000

Website: [www.tcindia.com](http://www.tcindia.com)

Call Centre - 61603333, Fax: 66091595

Toll-free 1800-2099-100

## IKYA HUMAN CAPITAL SOLUTIONS LIMITED

**BANGALORE**

Iky Human Capital Solutions Limited  
# 27, S V Towers, 80 Feet Road  
6th Block, Koramangala, Bangalore - 560095  
Tel: +91 80 67131000  
Website: [www.ikyaglobal.com](http://www.ikyaglobal.com)

## THOMAS COOK INSURANCE SERVICES (INDIA) LIMITED - OFFICES

**MUMBAI****H.O- FORT**

Thomas Cook (India) Limited  
Thomas Cook Building, Bldg. 324, Dr. D. N. Road,  
Fort , Mumbai – 400 001  
Tel. No.- 022 - 6160 3333

**CHEMBUR**

Thomas Cook (India) Limited  
Corporate Park, Unit No. 8, Sion – Trombay Road,  
Chembur, Mumbai – 400 071  
Tel No. 022-6160 3333

**PUNE**

Thomas Cook (India) Limited  
Shop No. 4 & 13, Thackers House  
2418 Gen. Thimmaya Road Pune – 411 001  
Tel .No. 020-66007901

**INDORE**

Thomas Cook (India) Limited  
Shop No. UG-1 & UG-9 , Royal Gold  
4 Yeshwant Niwas Road Indore – 452001  
Tel No.0731-6454840

**NAGPUR**

Thomas Cook (India) Limited  
Shop Nos. 1, 2 & 3, Oasis Plaza, Gokul Peth,  
Off WHC Road, Laxmi Bhavan Square,  
Nagpur – 440 010  
Tel No. 0712-6647635

**AHMEDABAD**

Thomas Cook (India) Limited  
30-33, SUPERMALL, Near Lal Bungalow, C. G. Road  
Ahmedabad – 380 009

**BARODA**

Thomas Cook (India) Limited  
Shop 1-3 Gr. Floor, “Landmark Towers”  
Race Course, Baroda – 390007

**BANGALORE**

Thomas Cook (India) Limited  
Thomas Cook Buliding, No 70, 2nd & 3rd floor,  
M.G.Road, Bangalore – 560 001  
Tel No. 080- 67178800

**CHANDIGARH**

Thomas Cook (India) Limited  
SCO 28/29/30, Sector 9 – D, Madhya Marg,  
Chandigarh – 160 017.  
Tel No. 0172-6610907 / 01

**CHENNAI**

Thomas Cook (India) Limited  
Door No. 47(Old no. 23), (Heavitree Building)  
Spur Tank Road, Chetput, Chennai – 600031.  
Tel No. 044-66632602 / 30

**NEW DELHI**

Thomas Cook (India) Limited  
C-35 Connaught Place, Inner Circle,  
New Delhi – 110 001  
Tel No. 011-66271900

**HYDERABAD**

Thomas Cook (India) Limited  
Nasir Arcade 6-1-57, Saifabad  
Hyderabad – 500 004  
Tel No. 040-66742744

**MANGALORE**

Thomas Cook (India) Limited  
A1 / B1 , Ground Floor,  
Ram Bhavan Complex, Nav Bharat Circle,  
Kodialbail, Mangalore – 575003  
Tel No. 0824-6450583

**RAJKOT**

Thomas Cook (India) Limited  
Shop No. 4 & 5, Shree Jee Complex,  
Near Swami Narayan Temple,  
Kalawad Road, Rajkot – 360001  
Tel No. 0281-2454459

**KOLKATTA**

Thomas Cook (India) Limited  
19B, Shakespeare Sarani, 1st Floor,  
Kolkata – 700 071  
Tel No. 033-66526246 / 31

## INTERNATIONAL BRANCHES / SUBSIDIARIES- THOMAS COOK (INDIA) LIMITED

**MAURITIUS****MAURITIUS – Airport**

Thomas Cook (Mauritius) Operations Co.Limited  
SSR International Airport,  
Plaisance, Plaine Magnien, Mauritius  
Tel No. 00 230 -603 6061 –ARR  
00 230 603 6062 –DEPT

**MAURITIUS -Anglo Mauritius House**

Thomas Cook (Mauritius) Operations Co.Limited  
Anglo Mauritius House,  
4, Intendance Street, Port –Louis  
Tel No. 00230- 2134141

**MAURITIUS - Caudan**

Thomas Cook (Mauritius) Operations Co.Limited  
Caudan , Shop 036,  
Le Caudan Waterfront II, Port Louis  
Tel No. 00 230 -210 9660

**MAURITIUS - Grand Bay**

Thomas Cook (Mauritius ) Operations Co.Limited  
Restaurant Palais De Chine, Royal Road, Grand Bay  
Tel No. 00 230 263 1111

**MAURITIUS - Arsenal**

Thomas Cook (Mauritius ) Operations Co.Limited  
Shop 1A, Arsenal Shopping Complex  
Royal Road Arsenal  
Tel No. 00230 2491248

**MAURITIUS - Flic en flac**

Thomas Cook (Mauritius)Operations Co.Limited  
Opposite Pasadena Village, Flic en Flac.  
Tel No.- 00 230 453 8447

**MAURITIUS – Curepipe**

Thomas Cook (Mauritius) Operations Co. Limited  
Currimjee Arcades,  
Sir Winston Churchill Street, Curepipe  
Tel No. 00 230 670 1975

**MAURITIUS – Quatre Bornes**

Thomas Cook (Mauritius) Operations Co. Limited  
Select Market, Royal Road  
Quatre Bornes, Mauritius  
Tel No. 00 230 427 8040

**MAURITIUS – Flacq**

Thomas Cook (Mauritius) Operations Co. Limited  
Royal Road,  
Opposite Taxi Stand  
Central Flacq  
00 230 4130123

**Mauritius – Trou Aux Biches**

Thomas Cook (Mauritius) Operations Co. Limited  
Hotel BE COSY,  
Royal Road  
Tel No. 00230 2657241

**MAURITIUS – trou deau Douce**

Thomas Cook (Mauritius) Operations Co. Limited  
Coastal Rd,  
Trou deau Douce  
Tel No. 00 230 480 1449

**MAURITIUS – Chemin Grenier**

Thomas Cook (Mauritius) Operations Co. Limited  
Royal Road, Rivière Noire  
Tel No. 00 230 483 8815

**MAURITIUS-Floreal**

Thomas Cook (Mauritius) Operations Co. Limited  
Adamas Complexe, Floreal  
Tel No, 00 230 697 6342

**MAURITIUS – belle mere**

Thomas Cook (Mauritius) Operations Co. Limited  
Coastal Road, Belle Mare  
Tel No. 00 230 4152222

**MAURITIUS – Mahebourg**

Thomas Cook (Mauritius) Operations Co. Limited  
Atchia Buliding, Corner Marianne et  
Labourdonnais Street  
Mahebourg  
Tel No. 00 230 631 1953

**SRI LANKA****Colombo**

Thomas Cook Lanka (Private) Limited  
No. 393, Union Place, Colombo 2.,  
Tel No. 00 94 -114 741515 / 114 628258

**Bandaranaike - Airport**

Thomas Cook Lanka (Private) Limited  
Bandaranaike Intrnational Airport  
Katunayake.  
Tel No. 0094 - 114 832881 - ARRIVAL  
0094 -114 833784 - DEPARTURE

**Negombo**

Thomas Cook Lanka (Private) Limited  
No. 16, Silva’s Hotel, Poruthota Rd.,  
Ettukala, Negombo  
Tel No. 00 94 -312278045









### 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-SEVENTH ANNUAL GENERAL MEETING** of the Company to be held on Friday, 30th May, 2014 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 \_\_\_\_\_, 2014

Affix  
Rupee 1  
Revenue  
Stamp

Signature .....

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

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-SEVENTH ANNUAL GENERAL MEETING** of THOMAS COOK (INDIA) LIMITED held on Friday, 30th May, 2014 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.





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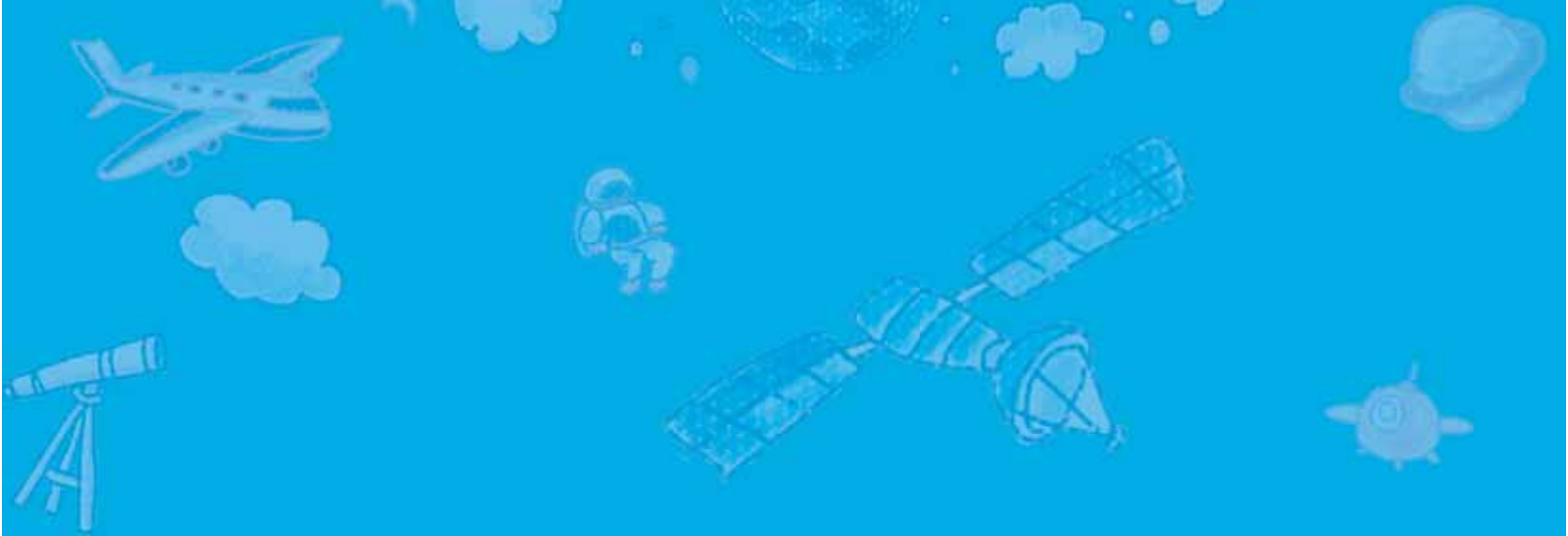
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**Registered Office:  
Thomas Cook (India) Limited**

Thomas Cook Building, Dr. DN Road, Fort, Mumbai - 400001 India. Tel. : 91 22 61603333, Fax : 91 22 22871069

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## NOTICE

**NOTICE** is hereby given that the Thirty-Seventh 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 Friday, 30th May, 2014 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, 2013, Statement of Profit and Loss for the year ended 31st December, 2013, 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, 2013.
3. To appoint a Director in place of Mr. Harsha Raghavan, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Chandran Ratnaswami, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. Uday Chander Khanna, who retires by rotation, and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s Lovelock & Lewes, Chartered Accountants with Firm Registration No. 301056E, be and are hereby appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors.”

### SPECIAL BUSINESS:

7. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:  
 “RESOLVED THAT, pursuant to the provisions of Section 309 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and Article 121 of the Articles of Association of

the Company and subject to such other approvals of applicable authority(ies), if any, as may be required, consent of the Company be and is hereby accorded to the payment and distribution of sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349, and 350 of the Companies Act, 1956 by way of commission to and amongst the Directors of the Company (other than the Managing Director, Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be determined by the Board of Directors from time to time and such payments shall be made for the Accounting Year ending 2014 and subsequent four Accounting Years of the Company.”

### BY ORDER OF THE BOARD

**R. R. KENKARE**

President & Head – Legal & Company Secretary

Registered Office:

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

Dated: 19th February, 2014

### 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 Friday, 23rd May, 2014 to Friday, 30th May, 2014 (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 Friday, 30th May, 2014 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 Thursday, 22nd May, 2014.
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 year 2006 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 year 2006 or thereafter are requested to write to the Company's Registrars and Transfer Agents.
 

All Unclaimed Dividend remaining unpaid/ unclaimed upto the financial year 31st October, 2005, has been transferred and for the financial year ended 31st December, 2006 dividend for which was declared at the Annual General Meeting of the members held on 25th June, 2007 will be transferred by August, 2014 to the Investor Education and Protection Fund.

Members are requested to note that no claim shall lie against the Company or the said Fund in respect of any amounts which are unclaimed and unpaid for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.
  9. Nomination facility for shares is available for members. 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 Private 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. Harsha Raghavan, Mr. Chandran Ratnaswami and Mr. Uday Chander Khanna retire by rotation and are eligible for re-appointment at the Annual General Meeting.

#### EXPLANATORY STATEMENT

As required under Section 102 of the Companies Act, 2013, the Explanatory Statement sets out all the material facts concerning the Special Business referred to in the accompanying Notice dated 19th February, 2014.

#### Item No. 7

The Company's business activities and operations and the nature and scope thereof have grown and continue to grow at very substantial rate. Consequently the burden of responsibility of the Board of Directors has also continued to increase. The Directors, therefore, recommend that it would be fit and proper to compensate the Non-Executive Directors for the benefit of their guidance and advice and expertise and the time devoted and sacrificed by them for the business of the Company. Article 121 of the Company empowers the Company to pay such commission to the Non- Executive Directors of the Company. The Directors therefore recommend the payment of a commission at a rate of not more than one percent of the net profits of the Company for the relevant Accounting Year/s. The earlier approval given by the Members of the Company was valid upto 31st December 2013.

The Directors, therefore, recommend adoption of the Special Resolution in Item No. 7 for the purpose, in accordance with Section 309 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force).

All Directors except Mr. Madhavan Menon and key management personnel of the Company may be considered to be interested in passing 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  
CIN: L63040MH1978PLC020717

Dated: 19th February, 2014