



## THOMAS COOK (INDIA) LIMITED

(Originally incorporated as Thomas Cook (India) Private Limited on October 21, 1978 under the Companies Act, 1956. The name of our Company was changed to "Thomas Cook (India) Limited" pursuant to the provisions of Section 23 of Companies Act, 1956 and the special resolution passed by the members at the extra-ordinary general meeting held on March 07, 1979. Our Company received a fresh Certificate of Incorporation on March 12, 1979)

**Registered Office:** Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai 400 001

**Tel:** +91 22 2204 8556/7/8; **Fax:** +91 22 2287 1069; **E-mail:** sharedept@in.thomascook.com; **Website:** www.thomascook.in

**Contact Person & Compliance Officer:** Mr. Rambhau Kenkare, President & Head - Legal & Company Secretary

**ISSUE OF 5,62,78,554 FULLY PAID-UP EQUITY SHARES OF RE.1/- EACH FOR CASH AT A PRICE OF RS. 35.50 (INCLUDING A SHARE PREMIUM OF RS. 34.50) PER EQUITY SHARE AGGREGATING Rs. 199,78,88,667 ON RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 35 (THIRTY FIVE) FULLY PAID-UP EQUITY SHARE FOR EVERY 100 (ONE HUNDRED) FULLY PAID-UP EQUITY SHARES HELD ON THE RECORD DATE, i.e. DECEMBER 27, 2008.**

**THE FACE VALUE OF THE EQUITY SHARE IS RE. 1/- PER EQUITY SHARE. THE ISSUE PRICE OF RS. 35.50 IS 35.5 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.**

### GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. **Investors are advised to refer to "Risk Factors" on page viii of this Letter of Offer before making an investment in this Issue.**

### ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to the Issuer and the Issue, which is material in the context of this Issue, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The existing Equity Shares of our Company are listed on Bombay Stock Exchange Limited ("BSE") (Designated Stock Exchange) and National Stock Exchange of India Limited ("NSE"). We have received in-principle approval from BSE and NSE for listing of Equity Shares arising from this Issue vide letter nos. DCS/PREF/DMN/IP-RT/1455/08-09 dated October 29, 2008 and NSE/LIST/90496-Z dated November 17, 2008 respectively.

### LEAD MANAGER TO THE ISSUE

### REGISTRAR TO THE ISSUE



#### Ambit Corporate Finance Private Limited

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449, Senapati Bapat Marg,  
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Total Solutions Repository

#### TSR Darashaw Limited

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### ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSSES ON
Wednesday, December 31, 2008	Wednesday, January 7, 2009	Wednesday, January 14, 2009

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

In this Letter of Offer, the terms “we”, “us”, “our”, “the Company”, “our Company” or “TCIL”, unless the context otherwise implies, refer to Thomas Cook (India) Limited.

#### Conventional / General Terms

Act	The Companies Act, 1956 or any statutory modifications or re-enactment thereof from time to time
AGM	Annual General Meeting
Articles / Articles of Association	The Articles of Association of our Company
AS	Accounting Standard
AY	Assessment Year
Bn	Billion
Board	Board of Directors of Thomas Cook (India) Limited
BSE / Designated Stock Exchange	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
Crore	10 Million
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Depository Act	Depositories Act, 1996 and amendments thereto
DP	Depository Participant
EGM	Extra Ordinary General Meeting
EPS	Earnings Per Share
Equity Share(s)	Equity shares of our Company having a face value of Re. 1 unless otherwise specified in the context thereof
Equity Shareholder (s)	Holder of Equity Share(s)
ESOP Scheme / ESOS	Employee stock options under Thomas Cook Employees Stock Option Scheme 2007
EUR	Euro
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations there under and any amendments thereto
FERA	Foreign Exchange Regulation Act, 1973 and any amendments thereto
FI	Financial Institutions
FIIs	Foreign Institutional Investors registered with SEBI under applicable laws
FIPB	Foreign Investment Promotion Board
FV	Face Value
FY	Financial Year
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
Issuer / TCIL / Thomas Cook/ the Company / We/Our Company	Thomas Cook (India) Limited, a public limited company incorporated under the provisions of the Act having its registered office at Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai 400 001
IT Act	The Income Tax Act, 1961 and amendments thereto
ITAT	Income Tax Appellate Tribunal
Lacs / Lakhs	100 thousand
Ltd.	Limited
Memorandum or MOA	Memorandum of Association of the Company as originally framed or as altered from time to time in accordance with the provisions of the Act
Mn	Million (10 Lacs)
MUR	Mauritian Rupee
NAV	Net Asset Value
NR	Non-Resident
NRE	Non-Resident External



NRI (Non-Resident Indian)	A Person Resident Outside India who is a citizen of India or is a Person of Indian Origin as per Foreign Exchange Management (Deposit) Regulations, 2000
NRO	Non-Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs	Overseas Corporate Bodies
Our Management	Management of TCIL
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934 and any amendments thereto
RoC	Registrar of Companies, Mumbai located at Everest, 5 <sup>th</sup> Floor, 100, Marine Drive, Mumbai 400 002, Maharashtra, India
Rs./INR	Indian Rupees
SEBI	The Securities and Exchange Board of India
SEBI (DIP) Guidelines	Securities and Exchange Board of India (Disclosure & Investor Protection) Guidelines, 2000 read with amendments thereto
SEBI Act	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI ESOP Guidelines	Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and any amendments thereto
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
SICA	Sick Industrial Companies (Special Provisions) Act, 1985 and any amendments thereto
TBHT	Thai Baht
USD	United States Dollar

#### Issue Related Terms

ACGL	AllCargo Global Logistics Limited
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used by an Investors to make a Bid authorizing the SCSB to block the Bid Amount in their specified bank account
ASLL	Airline Services Lanka Private Limited
Bankers to the Issue	HDFC Bank Limited
CAF	Composite Application Form
Collection Centre	As defined in SEBI (DIP) Guidelines and mentioned in the CAF
CRPS	Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- each
DFL	Dubai Financial L.L.C.
DIG Limited	Dubai Investment Group Limited
DIG LLC	Dubai Investment Group L.L.C
ECS	Electronic Clearing Service
Group Companies as per SEBI (DIP) Guidelines	JMCH Services Limited, Thomas Cook Deutschland Limited, Thomas Cook Pension Trust Limited, Thomas Cook Signature Limited, Thomas Cook TV Limited, Thomas Cook UK Travel Limited, Thomascook.com Limited, Thomas Cook Group Treasury Ltd, Thomas Cook Overseas Limited, Elegant Resorts Limited and Thomas Cook Lebanon SAL
HCL	Hindustan Cargo Limited
HSBC	The Hongkong & Shanghai Banking Corporation Limited
HSCI	HSBC Securities and Capital Markets (India) Private Limited
IHTTL	Indian Horizon Travel and Tours Limited
Investor(s)	Shall mean the holder(s) of Equity Shares of our Company as on the Record Date, i.e. December 27, 2008 and Renouncees
Issue Closing Date	January 14, 2009
Issue Opening Date	December 31, 2008
Issue Price	Rs. 35.50 per Equity Share
Issue/ Offer/Rights Issue / Issue Size	Issue of 5,62,78,554 fully paid-up Equity Shares of Re.1/- each for cash at a price of Rs.35.50 (including a Share Premium of Rs.34.50) per Equity Share aggregating Rs. 199,78,88,667 on rights basis to the existing equity shareholders of our Company in the ratio of 35 fully paid-up Equity Shares for every 100 fully paid-up Equity Shares held on the Record Date, i.e. December 27, 2008 in terms of this Letter of Offer
Lead Manager to the Issue / Ambit	Ambit Corporate Finance Private Limited
LKP Forex	LKP Forex Limited, a company since amalgamated with our Company



LKP Merchant	LKP Merchant Financing Limited
Promoters	TCIM Limited and Thomas Cook UK Limited
Promoter Group as per SEBI (DIP) Guidelines	JMCH Services Limited, Thomas Cook Deutschland Limited, Thomas Cook Pension Trust Limited, Thomas Cook Signature Limited, Thomas Cook TV Limited, Thomas Cook UK Travel Limited, Thomascook.com Limited, Thomas Cook Group Treasury Ltd, Thomas Cook Overseas Limited, Elegant Resorts Limited, Thomas Cook Lebanon SAL, Sandbrook UK Investments Limited and Thomas Cook Personal Finance Ltd
Record Date	December 27, 2008
Registrar to the Issue or the Registrar	TSR Darashaw Limited
Renouncees	Shall mean the persons who have acquired Rights Entitlements from Equity Shareholders
Rights Entitlement	The number of Equity Shares that an equity shareholder is entitled to under this Letter of Offer in proportion to his/her/its existing shareholding in our Company as on the Record Date
RTGS	Real Time Gross Settlement System
SPA	Share Purchase Agreement
SSPA	Share Sale and Purchase Agreement
Stock Exchange(s)	Shall refer to the BSE and NSE where the Shares of our Company are presently listed
TCAG	Thomas Cook AG
TCG	Thomas Cook Group plc
TCI	Travel Corporation (India) Limited
TCL	Thomascook.com limited
TCIM	TCIM Limited
TCISL	Thomas Cook Insurance Services (India) Limited
TCLHL	Thomas Cook Lanka Holidays (Private) Limited
TCMHCL	Thomas Cook (Mauritius) Holding Company Limited
TCMHL	Thomas Cook (Mauritius) Holidays Limited
TCMOCL	Thomas Cook (Mauritius) Operations Company Limited
TCMTL	Thomas Cook (Mauritius) Travel Limited
TCOL	Thomas Cook Overseas Limited
TCTL	Thomas Cook Tours Limited
TCTTL	Thomas Cook Travel (Thailand) Limited
TCUK	Thomas Cook UK Limited
TCUTL	Thomas Cook UK Travel Limited
TCTVL	Thomas Cook TV Limited
You	Refers to the prospective investor

#### Industry Related Terms and Abbreviations

AD	Authorised Dealer
BPLR	Benchmark Prime Lending Rate
FCNRB	Foreign Currency (Non-Resident) Bank
FFMC	Full Fledged Money Changer
GDP	Gross Domestic Product
GIT	Group Individual Travellers
GSA	General Selling Agent
IATA	International Air Transport Association
MT	Money Transfer
PATA	Pacific Asia Travel Association
PATWA	Pacific Asia Travel Writers Association
PLR	Prime Lending Rate
SBAR	State Bank Advance Rate
SCSB	Self Certified Syndicate Bank
T&T	Travel and Tourism
TC	Travelers Cheques
WCDL	Working Capital Demand Loan
WTTC	World Travel and Tourism Council



## OVERSEAS SHAREHOLDERS

The distribution of the Letter of Offer and the Issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession this Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of Equity Shares on a rights basis only to the shareholders of our Company who have an Indian address.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer was filed with SEBI for observations and SEBI has given its observations vide its letter dated December 17, 2008. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Letter of Offer may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, the Letter of Offer must be treated as sent for information only and should not be copied or redistributed. No person receiving a copy of the Letter of Offer in any territory other than in India may treat the same as constituting an invitation or offer to him, nor should he in any event use the CAF. We are making this Issue of Equity Shares on a rights basis only to the shareholders of our Company who have an Indian address. Accordingly, persons receiving a copy of the Letter of Offer should not, in connection with the issue of Equity Shares or the rights entitlements distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the rights entitlements referred to in the Letter of Offer.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### ***European Economic Area Restrictions***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive at any relevant time (each, a "Relevant Member State") our Company has not made and will not make an offer of the Equity Shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Equity Shares to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purpose of this provision, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State. This European Economic Area selling restriction is in addition to any other selling restriction set out below.



## **United Kingdom Restrictions**

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The Equity Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Equity Shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

## **NO OFFER IN THE UNITED STATES**

The rights and the shares of our Company have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the "United States" or "U.S.") or to, or for the account or benefit of, "U.S. Persons" [as defined in Regulation S under the Securities Act ("Regulation S")], except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in this Letter of Offer are being offered in India, but not in the United States. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said shares or rights. Accordingly, this Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, in the United States. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States, and all persons subscribing for Equity Shares and wishing to hold such shares in registered form must provide an address for registration of the Equity Shares in India. We are making this Issue of Equity Shares on a rights basis only to the shareholders of our Company who have an Indian address. Any person who acquires rights or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the rights entitlements, it will not be, in the United States.

We reserve the right to treat as invalid any CAF which:

- (i) appears to our Company or our agents to have been executed in or dispatched from the United States;
- (ii) does not include the relevant certification set out in the CAF headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States; or
- (iii) where our Company believes acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or rights entitlement in respect of any such CAF.

Our Company is informed that there is no objection to a United States shareholder selling its rights entitlement in India. Rights entitlement may not be transferred or sold to any U.S. Person.



## PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

### Financial Data

Unless stated otherwise, in this Letter of Offer unless the context otherwise requires all the references to one gender also refers to another gender. Unless indicated otherwise, the financial data in this Letter of Offer is derived from the consolidated financial statements as of and for the years ended October 31, 2003, 2004, 2005, fourteen months period ended December 31, 2006, year ended December 31, 2007 and six months period ended June 30, 2008 prepared in accordance with Indian GAAP and the Act, restated in accordance with applicable SEBI (DIP) Guidelines, as stated in the report of our Statutory Auditors, M/s Lovelock & Lewes, Chartered Accountants, included in this Letter of Offer. Unless indicated otherwise, the operational data in this Letter of Offer is presented on a consolidated basis. In accordance with SEBI's requirements, we have also presented in this Letter of Offer unconsolidated financial statements of our Company as of and for the years ended October 31, 2003, 2004, 2005, fourteen months period ended December 31, 2006, year ended December 31, 2007 and six months period ended June 30, 2008, prepared in accordance with Indian GAAP and the Act and restated in accordance with applicable SEBI (DIP) Guidelines.

Our Company's fiscal year commences on January 01 and ends on December 31. The references for the fiscal year are to the twelve-month period ended October 31, 2003, 2004, 2005, 2007 and for fourteen months period ended December 31, 2006

### Currency of Presentation

All references to "India" contained in this Letter of Offer are to the Republic of India, all references to the "US" or the "U.S." or the "USA", or the "United States" are to the United States of America, and all references to "UK" or the "U.K." are to the United Kingdom. All references to "Rupees", "INR" or "Rs." are to Indian Rupees, the official currency of the Republic of India, all references to "US\$" or "USD" are to United States Dollars, the official currency of the United States of America, all references to "GBP" or "£" are to Great Britain Pounds, the official currency of the United Kingdom, all references to "EURO" or "€" are to the official currency of the European Union, all references to "MUR" are to the official currency of Mauritius, all references to "LBP" are to the official currency of Lebanon and all references to "LKR" are to the official currency of Sri Lanka. This Letter of Offer contains certain translations of US\$, €, GBP, MUR, LBP and LKR into INR that have been presented solely to comply with requirements of clause 6.9.7.1 of the SEBI Guidelines. These translations should not be construed as representations that those US\$, €, GBP, MUR, LBP and LKR could have been, or could be, converted into INR, as the case may be, at any particular date. The rate used in the Letter of Offer is as on September 29, 2008 i.e. (1 USD = INR 46.94), (1 GBP = INR 85.57), (1€ = INR 67.79), (1 MUR = INR 1.68), (1 LBP = INR 31.28) and (1 INR = LKR 0.43106) as per the data available on Reserve Bank of India's website ([www.rbi.org.in](http://www.rbi.org.in)) for the purpose of conversion of GBP, €, MUR, LBP and LKR into INR.

Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Lacs, though certain figures are also expressed in crores, millions and billions. In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

### Industry and Market Data

Unless stated otherwise, market and industry data used throughout this Letter of Offer has been obtained from industry publications, government sources and based on our estimates / assumptions. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry / market data used in this Letter of Offer is reliable, it has not been independently verified.





## FORWARD LOOKING STATEMENTS

We have included statements in this Letter of Offer which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward looking statements”.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Increasing competition or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Our ability to meet our capital expenditure requirements and/or increase in capital expenditure;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in technology in future;
- Changes in political and social conditions in India or in countries that we may enter, the monetary policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally; and
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our actual results to differ, please refer to the sections titled “Risk Factors”, “Business Overview” and “Management Discussion and Analysis of Financial Condition and Results of Operations” beginning on page viii, 57 and 218 respectively of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the Lead Manager nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI / Stock Exchanges requirements, our Company and Lead Manager will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to this Issue.



## SECTION II – RISK FACTORS

*Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Letter of Offer, before making any investment decisions relating to our Equity Shares. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of our Equity Shares to fall significantly and you may lose all or part of your investment.*

*This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Issuer's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer.*

*Prior to making an investment decision, prospective investors should carefully consider all the information contained in this Letter of Offer, including the information related to the financial performance of our Company beginning on page 151 of this Letter of Offer.*

*These risks are not the only ones that we face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The numbering of risk factors is provided solely for convenience.*

### **Materiality:**

*The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:*

- 1. Some events may not be material individually but may be found material collectively.*
- 2. Some events may have material impact qualitatively instead of quantitatively.*
- 3. Some events may not be material at present but may be having material impacts in future.*

### **INTERNAL RISK FACTORS**

#### **1. SEBI had imposed a penalty of Rs. 150,000 on our Company for non-compliance with provisions of chapter II of SEBI Takeover Regulations for the period May 20, 1997 to April 30, 2001**

During the period May 20, 1997 to April 30, 2001, filings pertaining to chapter II of SEBI Takeover Regulations, were done by our Company based on the understanding that these disclosures were required to be filed in line with our financial year. Hence the disclosures were being filed as of December 31 every year from 1997 till 2000. In 2001, our Company changed its financial year to end on October 31 every year and accordingly, the annual disclosure was filed in November 2001. However, in the same month, NSE clarified that the annual disclosures were to be filed with reference to the financial year April – March every year and not as per the financial year of our Company. In view of this clarification from NSE, our Company started submitting the annual disclosures for the year ending March 31 every year, 2002 onwards. SEBI levied a penalty of Rs. 150,000 on our Company for the said non-compliance. Our Company vide letter dated October 8, 2004 to SEBI agreed for settlement by consent order by agreeing to pay the said penalty and waived its right of hearing. Our Company also requested SEBI to forward the said letter to the Adjudicating Officer to enable the Adjudicating Officer to pass a consent order under SEBI (Procedure for Holding Enquiry and Imposing Penalty by Adjudicating Officer) Rules, 1995. Our Company has till date not received any communication from SEBI / Adjudicating Officer as regards payment of the said penalty.

#### **2. Our Company is involved in certain legal and regulatory proceedings that, if determined against the Company, could have a material adverse impact on our Company**

Our Company is party to various legal proceedings. These proceedings are pending at different levels of adjudication before various courts/ other judicial fora, and if determined against us, could have an adverse impact on the business, financial condition and results of operations. No assurance can be given as to whether these matters will be settled in our favour or against us. Nor can any assurance be given that no

further liability will arise out of these claims. A brief summary of the various legal proceedings involving our Company is given below:

Type of cases	Filed against our Company		Filed by our Company	
	No. of Cases	Amount Involved (In Lacs)	No. of Cases	Amount Involved (In Lacs)
Criminal	1	1.00	17 1 3	Rs. 89.1 USD 900 N.A.
Civil	6 1 2	Rs. 7726.56 USD 3.20 Rs. 240@	12	Rs. 255.1
Labour	4	--	1	--
<u>Direct &amp; Indirect Tax Proceedings:</u>				
Income Tax	2	Rs. 482.44	9	Rs. 226.95* #
- Notice received for assessment of income	1	--	N.A.	N.A.
Service Tax				
- Appeal filed by our Company	--	--	1	Rs. 0.63
- Show Cause Notices	6	Rs. 742.56	N.A.	N.A.
- Audit objection letters received from service tax department	2	Not Quantifiable	N.A.	N.A.
Consumer	44 1	Rs. 213.36 USD 686.90	--	--
FERA	1 1	Rs. 14.00 GBP 0.84 and USD 7.44	--	--
FEMA	2	USD 10.23	--	--
Litigation by Shareholders	2	Rs. 0.3	--	--

\*Our Company has paid the advance tax at the time of filing of Return of Income considering the disallowance under section 80HHC & 80HHD which is already provided in the books. Therefore the disallowances made under section 80HHC & 80HHD in relevant Assessment Years have not been taken into consideration while computing the potential tax liability shown above.

# The above tax liability is subject to interest and penalty, if any.

@ Joint Liability with various other defendants, our portion of the liability cannot be ascertained.

For further details on these proceedings, see the section "Outstanding Litigations and Defaults" on page 227 of this Letter of Offer.

### 3. Some of our Directors and subsidiaries are involved in certain legal and regulatory proceedings

Some of our Directors and subsidiaries are parties to certain legal proceedings initiated by or against certain parties. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals. A brief summary of the various legal proceedings involving our directors and subsidiaries is given below:

Litigations filed against our Company involving one of our Directors:

Type of cases	No. of Cases	Amount Involved* (Rs. in Lacs)
Civil	1	218.10
Consumer	12	72.21
<b>Total</b>	<b>13</b>	<b>290.31</b>

\* The above amounts are exclusive of interest and penalty, if any

Litigation against and filed by our subsidiaries:

Type of cases	Filed against		Filed by	
	No. of Cases	Amount Involved* (Rs. in Lacs)	No. of Cases	Amount Involved* (Rs. in Lacs)
<b>TCI</b>				
Criminal	-	-	18	54.12
Civil	2	-	5	19.35
Consumer	2	8.37	-	-
Labour	28	13.34	-	-
Statutory:				
Income Tax	9	1,067.18	-	-
Service Tax	2	195.00	-	-
Other statutory proceedings (Company Petition)	-	-	3	8.21
<b>TCMHL</b>				
Claim with the receiver	-	-	1	3.43
<b>Total</b>	<b>43</b>	<b>1283.89</b>	<b>27</b>	<b>85.11</b>

\* The above amounts are exclusive of interest and penalty, if any

For more information regarding legal proceedings involving the Directors and Subsidiaries, see the section "Outstanding Litigations and Defaults" beginning on page 227 of this Letter of Offer.

**4. As on June 30, 2008, we had contingent liabilities (on a Consolidated Basis) of Rs. 3,432.33 Lacs which are not provided for, which may adversely affect our financial performance**

The contingent liabilities of our Company (on a Consolidated Basis) as on June 30, 2008, as certified by the Statutory Auditors, are as follows:

Sr. No.	Nature of Liability	Amount (Rs. In Lacs)
1	Claims against the company not acknowledged as debts - Demand from Bombay Electricity Supply and Transport (BEST) for Electricity	19.61
	Claims against the company not acknowledged as debts - Disputed Demand from DGFT, Mumbai under EPCG Licence	137.89
	- Various Miscellaneous Claims	1.75
2	Disputed Income-tax Demands	2,019.05
3	Disputed Service tax Demands	923.26
4	Disputed Demand for increase in rent raised by Brihanmumbai Municipal Corporation	330.77
	<b>Total</b>	<b>3,432.33</b>

**5. Significant portion of the net issue proceeds would be utilized towards redemption of preference shares and repayment of existing debt.**

Significant portion of the net issue proceeds would be utilized towards redemption of 10,50,00,000 1% Cumulative Non Convertible Redeemable Preference Shares of Rs.10/- each including redemption premium, preference dividend and dividend distribution tax and repayment of existing debt to the extent of Rs.11,676.07 Lacs and Rs.7,000 Lacs respectively. For details please refer to page 31 of the Objects of the Issue.



**6. Financials for the financial year ended December 31, 2006 are not comparable with those of the previous years.**

In FY 2006, the financial year of our Company was changed to end on December 31 every year instead of October 31. The results for the financial year period ended December 31, 2006 comprises of a period of 14 months (from November 1, 2005 to December 31, 2006) as against 12 months of previous year (November 1, 2004 to October 31, 2005) and are not directly comparable as the results are for the 14 months period ended December 31, 2006 and also include financials of LKP Forex Limited which has been merged with our Company with effect from April 1, 2006.

**7. We are largely dependant on our business associates, both in India and abroad for travel bookings. Any failure on their part to honor commitments may have adverse effect on our business, financial condition and operations**

The travel industry largely operates through associate networks globally. Our Company has appointed agents across the globe to facilitate its travel business. Appropriate service delivery by these associates is critical for the success of the business. Our Company currently has longstanding healthy business relations with its associates and does not foresee any major problem on service delivery from their side. However, the same level of service delivery cannot be guaranteed by our Company for the future.

**8. We derive a significant portion of our income from travel and travel related services like assistance in ticketing, hotel reservations etc. Increasing penetration of the internet and advances in payment solutions, has led to 'disintermediation' i.e. direct dealings between the airline companies / hotels and the travelers. Further, the domestic as well as the international airline industry involves intense competition, which has resulted in a fare war. In this scenario, there is pressure on the players to reduce costs, including commissions to travel agents. Many airlines offer special fares for direct bookings. These trends have the potential to adversely affect our business income**

Presently, there is limited effect of this trend on our business. However, in future this may have a more significant bearing.

**9. We have a trademark license agreement with Thomas Cook UK Limited, one of our promoters, for use of the trademark "Thomas Cook" upto 2013**

Pursuant to a Trademark License Agreement ("Agreement") dated March 29, 2006 executed by and between our Company and TCUK, TCUK has granted our Company a non-exclusive, a non-assignable license to use the Trademark "Thomas Cook", Trade Name, Domain names and Logo ("Trademarks") (which is registered in the name of TCUK), in connection with the Permitted Business (more specifically set out in the said Agreement) and the Corporate Name. The said Agreement is valid for a period of seven years commencing from March 29, 2006 to March 28, 2013 which is renewable for a further period of seven years. There is no intention on the part of TCUK of terminating the name licence while they continue to own 74.89% holding in our Company, but they may revisit the amount of licence fees payable by TCIL. We have a formidable reputation in the industry in which we operate under the brand "Thomas Cook". We are not in a position to guarantee either the continued use of the brand "Thomas Cook" or renewal of the said Agreement. For more details please refer to page 74 of the Letter of Offer.

**10. Our Company depends on its trademarks and proprietary rights, and any failure of our Company to protect its intellectual property rights may adversely affect its competitive position**

The success of our Company depends, largely, on its ability to protect its current and future brands. Our Company owns various intellectual property rights, and in particular, trademarks, which are considered to be of material importance to the success of our Company's business as the business is brand driven. Though majority of our current trademarks are registered, some of our other trademarks are pending registration and renewals. Any delay or refusal to register these trademarks could adversely affect our business. Our Company's business might be affected due to our failure to protect our existing and future intellectual property rights. The trademarks for which the registrations are pending have no major financial implications on our business, as revenues from them constitute less than 1% of the total revenues of TCIL for the year ended December 31, 2007 and for the six months ended June 30, 2008. For more details please refer to the heading "Intellectual Property" on page 73 of the Letter of Offer.



**11. We enter into a large number of agreements with travel agencies, hotels and airlines in our normal course of business. These agreements are typically short term agreements and are subject to renewal, at the end of the expiry. Some of these agreements have expired and are pending renewal**

Such agreements, as are pending renewal, are relatively small in number as compared to the entire set. While we do not foresee any difficulty in renewal of these, the same cannot be ensured. Even if some of them do not get renewed, we do not perceive this as having any material impact on our business operations.

**12. We do and continue to face claims / liabilities / suits from our customers should they perceive any deficiency in service or in the event of bodily harm / injury to them while on tours organized by us**

We believe in providing quality customer service and due care is taken while providing services. We attempt to mitigate the associated risks which may happen due to factors beyond our control, through appropriate insurance cover. However, we may not be able to cover all such risks.

**13. We may face financial liabilities or loss of reputation, in the event of accidents / mishaps on our tours**

Our business involves taking people on tours. We arrange tours directly and through our associates. While we endeavour to take maximum possible precautions, any mishap, accident during the tour, which may or may not lead to personal injuries, may take place due to factors which are beyond our control. Occurrence of such events, may have an implication on our business.

**14. We face risk relating to foreign exchange fluctuations, as approximately 50% of turnover is derived from our foreign exchange business**

The volatility in global financial markets may have an adverse impact on our business since it involves making payments to various suppliers of services in foreign currency for the outbound tours and receipt of revenues in foreign currency for the inbound tours. We also deal in purchase and sale of foreign currency and adverse fluctuations, if any, may also have a financial impact. However, we hedge all our payments / receipts through a dealing room that has been authorised by the RBI.

**15. We face stiff competition from other players operating in this sector and also from the un-organized sectors**

We operate in a highly competitive market. Many Indian and foreign players have entered the market both in the online and offline space. Pricing is one of the factors that plays an important role in our customers' selection of our products. Stiff competition from a variety of competitors in the organized and un-organised sectors adversely impacts our operations and profitability. A portion of the tourism business is now increasingly being cornered by companies offering holidays on a 'time share' basis, which increases competition.

**16. We require certain approvals or licenses in the ordinary course of business and the failure to obtain or retain them in a timely manner, or at all, may adversely affect our operations**

We require certain approvals, licenses, registrations and permissions for operating our business, some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval or its renewal. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. The list of licenses which are pending renewal is given below:

License under Shops and Establishments:

Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Validity / Expiry
Office of the Inspector, Gurgaon	G9N/IV/2005/1783	September 8, 2005	Application Pending
Office of the Inspector, Gurgaon	New Branch. Applied for S & E Licence	Application Pending	Application Pending

Issuing Authority	Registration/ License No.	Date of granting License/ Approval	Validity / Expiry
Office of the Inspector, Kolkata	0280	April 13, 2006	Applied for renewal

Licenses of Shops and Establishments expiring on December 31, 2008 and in January, 2009 have been applied for renewal.

**17. Our growth will depend on our ability to sustain our brands and failure to do so will have a negative impact on our ability to compete in this industry**

We believe that our brands are well respected and recognised in the market today. Continuing efforts towards building and sustaining our brands will be critical for the recognition of our services. Promoting and positioning our brand will depend largely on the success of our marketing efforts and our ability to back that with high quality services. Brand promotion activities may /may not result in incremental revenues, and even if they do, any incremental revenues may not offset the expenses we incur in building our brands. If we fail to promote and maintain our brands, our business, financial condition and results of operations could be adversely affected.

**18. Failure to successfully manage integration of our recent acquisitions/amalgamation may adversely affect our operations and profitability**

Our Company has been actively pursuing mergers and acquisitions. In the recent past our Company has merged LKP Forex with itself and has acquired TCI. The Management of our Company believes that we have integrated the business and operations of LKP Forex and TCI with the Company's operations. The rationalization of businesses will continue on an on-going basis. Any hurdle in rationalization of the merged / acquired companies may result in disruption of normal activities of the Company.

**19. Future strategic investments, including acquisitions and partnerships may not necessarily prove advantageous to the Company**

Our growth strategy in the future may involve future strategic acquisitions and reconstructions, partnerships and exploration of mutual interests with other parties. These future acquisitions may not contribute to our profitability and we may be required to incur or assume debt, or assume contingent liabilities as part of any acquisition. We could have difficulty in assimilating the personnel, operations, technology and assets of the acquired company. These difficulties may disrupt our ongoing business, distract our Management and employees and increase our expenses.

**20. Our business operations are spread across geographies which exposes us to several risks many of which are beyond our control**

We have operations either directly or through our subsidiaries in India, United States of America, United Kingdom, Mauritius, Sri Lanka, Germany, Spain and Japan and we service clients across Asia, Europe and North America including France, South Korea and China. We conduct tours across the globe and service clients from respective regions. As a result, we are exposed to risks typically associated with conducting business internationally like currency fluctuations, economic, political, regulatory changes including legal and tax regimes, many of which are beyond our control. The occurrence, inter-alia, of any of these events could have a material adverse effect on our results of operations and financial condition.

**21. Some segments of our business, for example leisure, are seasonal in nature**

Revenues from the travel and tourism industry segment are affected by seasonality and depend on various factors such as school holidays, public holidays, conducive weather conditions and the political conditions in the destination for travel. Our revenues are generally higher for inbound tourism during the second half of each fiscal year as compared to the first half of the fiscal year. The first half of our fiscal year includes India's summer and monsoon seasons hence international leisure travellers to, and domestic leisure travellers in, India are substantially fewer than in the second half of the year but revenues for outbound tourism are higher in the first half of the fiscal year. Any disruptions of our operations or adverse external factors affecting business during these key seasons may lead to a reduction in our revenues and may have a material adverse impact on our results of operations.



**22. Some of our Promoter Group Companies and Group Companies offer services that are related to our business, which may create conflicts of interest**

Some of our Promoter Group Companies and Group Companies offer services that are related to our business, such as TCG Plc, Thomas Cook Signature Limited, thomascook.com limited, Thomas Cook Overseas Limited, Elegant Resorts Limited, Thomas Cook Lebanon SAL and Thomas Cook Personal Finance Limited. There may be conflicts of interest in addressing business opportunities. However, currently none of these companies have any business operations in India. The Promoters and the Promoters' Group Companies of TCIL do not conduct, in India or any of the "home" jurisdictions of the subsidiaries of TCIL, the same business as that is conducted by TCIL or any of its subsidiaries. Further, neither TCIL nor any of the subsidiaries of TCIL, conduct their businesses in any of the "home" jurisdictions of the Promoter and the Promoter Group Companies.

**23. Some of our directors are on the Board of Directors of some of the companies which are in the same line of activities as that of our Company**

Some of our directors are on the Board of Directors of some of the companies which are in the same line of activities as that of our Company. The directorships of our directors in such companies do not constitute any conflict of interest. For details of other directorships of our directors, please refer page 123 of this Letter of Offer.

**24. Out of ten subsidiaries of our Company, four subsidiaries have incurred losses in the last three years**

The following subsidiaries have incurred losses in the last three years, as set forth in the table below:

(Rs in Lacs)

Names	Financial Year ended		
	December 31, 2007	December 31, 2006	October 31, 2005
TCISL	182.42	(136.30)	135.90
TCMHCL	(36.68)	21.58	(7.44)
TCMHL	0.84	(7.84)	-
TCMTL	(1.50)	(3.80)	(1.72)#

# From June 14, 2004 (Date of Incorporation) to October 31, 2005

For a detailed description of our subsidiaries, please see the section entitled "Our History and Main Objects" on page 96 of this Letter of Offer.

**25. Out of twelve group companies of our Company, six group companies have incurred losses in the last three years**

The following Group Companies have incurred losses in the last three years, as set forth in the table below:

(Rs in Lacs)

Names	Financial Year ended		
	October 31, 2007	October 31, 2006	October 31, 2005
Thomas Cook TV Limited	(2,355.74)	(1,695.14)	(1,462.39)
Thomascook.com Limited	853.13	(199.38)	1,018.28
	<b>July 31, 2007 (12 Months)</b>	<b>9 months period ended July 31, 2006</b>	<b>October 31, 2005 (12 Months)</b>
Thomas Cook Overseas Limited	674.29	8,114.60	(4,286.20)
	<b>December 31, 2007</b>	<b>December 31, 2006</b>	<b>9 months period ended December 31, 2005</b>
Elegant Resorts Limited	(37.65)	42.79	(1,759.32)
	<b>December 31, 2007</b>	<b>December 31, 2006</b>	<b>December 31, 2005</b>
Thomas Cook Lebanon S.A.L.	(93.60)	(72.24)	(89.76)
	<b>September 1 2006</b>	-	-





	<b>to December 31 2007</b>		
Thomas Cook Personal Finance Limited	(5,437.97)	-	-

For more details please refer to “Financial Information on Group Companies” beginning on page 206 of this Letter of Offer.

## 26. Some of our group companies have negative networth

The following Group companies have negative networth:

(Rs in Lacs)

Names	Financial Year ended		
	October 31, 2007	October 31, 2006	October 31, 2005
Thomas Cook Deutschland Limited	(717.93)	(717.93)	(717.93)
Thomas Cook Signature Limited	(1,285.26)	(7,431.75)	(4,228.87)
Thomas Cook TV Limited	(17,170.39)	(14,814.65)	(13,119.51)
Thomas Cook UK Travel Limited	(11.98)	(11.98)	(11.98)
Thomascook.com Limited	(30,234.45)	(31,087.58)	(30,888.20)
	<b>July 31, 2007 (12 Months)</b>	<b>9 months period ended July 31, 2006</b>	<b>October 31, 2005 (12 Months)</b>
Thomas Cook Overseas Limited	7,902.39	7,514.76	(458.66)
	<b>December 31, 2007</b>	<b>December 31, 2006</b>	<b>December 31, 2005</b>
Thomas Cook Lebanon S.A.L.	(354.11)	(260.50)	(177.73)
	<b>September 1 2006 to December 31 2007</b>		
Thomas Cook Personal Finance Limited	(54,37.89)	-	-

For more details please refer to “Financial Information on Group Companies” beginning on page 206 of this Letter of Offer.

## 27. Capital commitments to subsidiaries

Our Company has made and continues to incur capital investments and other commitments towards its subsidiaries for augmenting their respective business. These investments and commitments may include capital contributions to enhance the financial condition or liquidity position of our subsidiaries. Our Company may make capital investments in the future, which may be financed through additional debt, including through debt of subsidiaries. If the business and operations of these subsidiaries deteriorate, our Company’s investments may be required to be written down or written off. Additionally, certain advances may not be repaid or may need to be restructured or our Company may be required to outlay further capital under its commitments to support such companies. The aggregate value of the capital investments made by our Company to our subsidiaries as on June 30, 2008 is as follows:

Particulars	Amount (Rs. In Lacs)
50,000 fully paid-up Equity Shares of Rs. 10 each of Thomas Cook Insurance Services (India) Limited	5.00
50,000 fully paid-up Equity Shares of Rs. 10 each of Indian Horizon Travel and Tours Ltd	5.00
50,000 fully paid-up Equity Shares of Rs. 10 each of Thomas Cook Tours Limited	5.00
1,655,500 fully paid-up Equity Shares of USD 1 each of Thomas Cook (Mauritius) Holding Company Limited	732.49
1,576,698 fully paid-up Equity Shares of Rs. 10 each of Travel Corporation (India) Ltd	18,484.27
Advances to Subsidiary Companies	12.55
<b>Total</b>	<b>19,244.31</b>



**28. We have incurred a substantial amount of indebtedness which could adversely affect our financial condition**

As at June 30, 2008, our Company had Rs. 25,826.17 Lacs of secured and unsecured loans. Our Company's substantial level of indebtedness will increase the possibility that it may be unable to generate cash sufficient to pay, when due, the principal of, interest on or other amounts due in respect of its indebtedness, which would require the Company to dedicate a substantial portion of its cash flow from operations to service its indebtedness thereby reducing the availability of its cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes, thereby adversely impacting the Company's ability to raise additional financing and the interest rates and commercial terms on which such additional financing is available. Furthermore, interest rates have been impacted due to certain monetary measures taken by RBI in order to curb inflationary pressures during the latter part of fiscal 2008 and early part of fiscal 2009, thereby increasing borrowing costs and more on account of higher indebtedness to cater to our capital expenditure and business development plan. In November, 2008 CRISIL has assigned bank loan ratings of 'AA-/Stable/P1+' to the various bank facilities of our Company and has reaffirmed its ratings on our company's short-term debt and short term preference share capital at 'P1+'.

**29. Some of our subsidiaries have not yet started commercial operations**

Our subsidiaries - Thomas Cook Tours Limited and Indian Horizon Travel & Tours Limited are yet to commence commercial operations. While we believe that these subsidiaries will start commercial operations at an appropriate time, we cannot guarantee the timing of the same or whether their operations would be successful and profit making.

**30. Thomas Cook (Mauritius) Holding Company Ltd., our subsidiary has disassociated itself as a promoter from Thomas Cook Lanka Holdings (Private) Limited and Airline Services Lanka (Private) Limited**

Thomas Cook (Mauritius) Holding Company Ltd., our subsidiary had incorporated a subsidiary in Sri Lanka - Thomas Cook Lanka Holdings (Private) Limited, which in turn had incorporated – Airline Services Lanka Private Limited. Thomas Cook Lanka Holdings (Private) Limited and Airline Services Lanka (Private) Limited were dormant subsidiaries and have not renewed their registration with the Registrar of Companies in May 2008 and therefore their names will be struck off from the Register consequently.

**31. TCUK, one of our promoters has disassociated itself as a promoter from a number of companies in the immediately preceding three years**

TCUK has disassociated with the following companies in the last three years except for the following:

Year Ended	Name of the Company	Remarks
2005	Retail Travel Limited, Thomas Cook Airlines UK Limited and Tourmajor Limited	Ceased to be subsidiary of TCUK consequent upon divestment of the entire holding. However, all these companies continue to remain within the Thomas Cook Group as 100% subsidiaries.

**32. We have entered into, and will continue to enter into, related party transactions**

In the ordinary course of our business, we enter into transactions with related parties that include our Promoters, subsidiaries, fellow subsidiaries, key managerial personnel and their relatives. For more information regarding our related party transactions, refer to "Notes to Risk Factors", "Related Party Transactions", "Loans and Advances" and "Material Agreements" beginning on page xxii, 170 & 195, 168 and 83 respectively of this Letter of Offer. Further, our business is expected to involve transactions with such related parties in the future.

**33. Some of the lease/leave & license agreements in respect of premises being utilized by us / our subsidiaries have expired and are pending renewal**

Most of the offices through which we operate our business are taken by us on leave & lease through lease and license agreements with third parties. Any adverse impact on the title, ownership rights and/or



development rights of our landlords from whose premises we operate, or breaches of the contractual terms of such lease and leave & license agreements, may impede our operations. In the event such leases or licenses are not renewed, or there is any disruption in our business activities due to deficiency of title, our operations and in turn profitability will be adversely impacted.

**34. Our registered office located at Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai is a land leased to us by Municipal Corporation of the City of Bombay (now Mumbai). Further, upon expiry of the original lease period, the rent payable to the Municipal Corporation is subject to revision**

Our building, where our registered office is situated, is on land leased to us. The revised rent demand from the Municipal Corporation, which was at a significantly higher level as compared to the original rent, was challenged by us in the High Court at Bombay. As per the orders of the High court, a senior officer of the Municipal Corporation will be appointed to decide the matter on its own merits. We are not in a position to quantify the potential increased liability towards rent, if any, at this stage. For further details please refer to page 64 of this Letter of Offer.

**35. Some levies may be payable in respect of the registered office of TCI (our subsidiary)**

Before acquisition by our Company, TCI had entered into two purchase Deeds for premises located at Nariman Point, Mumbai, which are unregistered. Further, TCI may be required to obtain no objection certificate of the Collector of Mumbai, which would be issued upon payment of Collector's fees computed at the then prevalent rate. The approximate liability in respect of this is presently estimated in the region of Rs. 300 Lacs.

**36. We may be faced with additional financial liability should any authority/Court reach a conclusion that some of the title deeds pertaining to properties owned/leased by us / our subsidiaries are not adequately stamped and/or registered**

In case stamp authority adjudicates that stamp duty paid in respect of any of the title deeds of our properties owned/leased by us is insufficient then we will have to bear the deficit stamp duty along with penalties, if any. The potential consequence of this is that the said title documents may not be admissible as evidence in a court of law, until the relevant stamp duties and penalties are paid and the registration is done. Any claim or adverse orders/findings in connection with these properties could adversely affect our operations and profitability.

**37. Fraud and significant security breaches in our computer system and network infrastructure could adversely impact our business**

Although we take adequate measures to safeguard against system-related and other fraud, there can be no assurance that we would be able to prevent fraud. Our reputation could be adversely affected by fraud committed by employees, customers or outsiders. We may face risk of frauds due to the increased geographical dispersion and use of intermediaries. Physical or electronic break-ins, security breaches etc., could also affect the security of information stored in and transmitted through our computer systems and network infrastructure. Although we have implemented security technology and operational procedures to prevent such occurrences, there can be no assurance that these security measures will be fool-proof. A significant failure in security measures could have a material adverse effect on our business.

**38. System failures could adversely impact our business**

Our information technology systems are a critical part of our business as our principal delivery channels include branches, call centers and the internet. Any technical failures associated with our information technology systems, including those caused by power failures and computer viruses and other unauthorized tampering, corruption of certain information etc. may affect our operations and the quality of our customer service. In addition, we may be subject to liability as the result of any theft or misuse of personal information stored on our systems or any problems arisen due to wrong scheduling of the tour or any part of the tour.

**39. There is operational risk associated with our industry which may have an adverse impact on our results**

We are exposed to many types of operational risk, including increases in operating expenses, such as salaries and staff costs, insurance and taxes, increases in hotel room rates and air fares, transportation and fuel costs for sustained periods in India and internationally, the risk of fraud or other misconduct by employees or outsiders, unauthorized transactions by employees and third parties (including violation of regulations for prevention of corrupt practices, and other regulations governing our business activities), mis-reporting or non-reporting with respect to statutory, legal or regulatory reporting and disclosure obligations, or operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. We also outsource some functions to other agencies. Given our high volume of transactions, certain errors may be repeated or compounded before they are discovered and rectified.

**40. Attracting and retaining talented professionals is key to our business growth. Any inability on our part to attract and retain talented professionals or key managerial personnel may adversely affect our business and results of operations**

Our business model is reliant on the efforts and initiatives of our senior level management and our key managerial personnel, few of whom have been with us for a significant number of years. If one or more members of our senior management team were to leave their present positions, it may be difficult to find adequate replacements and our business could be adversely affected. In this regard, we cannot assure you that we will be able to retain our skilled senior management or managerial personnel or continue to attract new talents in the future.

**41. Our inability to manage growth could disrupt our business and reduce our profitability**

A principal component of our strategy is to continue growing by expanding the size and geographical scope of our businesses through new business development initiatives. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure and more importantly adhering to quality and high standards that meet customer expectations. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

**42. Certain type of risks may not be covered under our existing insurance policies since these may be uninsurable or not economically insurable**

We maintain insurance policies for our material assets and business related risks. However, certain losses may arise due to assets being not economically insurable or loss situations where the risks are not insured. Should an uninsured loss occur, we might need to incur significant investment to make good the loss. Further, our insurance premium for future policies could also increase. Such eventualities could have an adverse effect on our business, financial condition and result of operations.

**43. Material changes in the regulations that govern us or our subsidiaries in India or abroad could cause our business to suffer and the price of our Equity Shares to decline**

Our business and activities are regulated by the Foreign Exchange Management Act, 1999 including the rules, regulations and policies made thereunder, the circulars/ notifications, guidelines and instructions issued by the RBI from time to time as well as the Ministry of Tourism and IATA. Outbound Tours account for a significant portion of our revenues. Generally the laws of a country are devised to promote tourism. But any change in the Indian laws or laws and regulation of such countries, where we take tours, which results in restricting the number of tourist visas or such other restriction which directly or indirectly restricts the number of arrivals in general or from a specific country in particular could have an adverse affect on our business. For more information see the section titled "Regulations and Policies" beginning on page 80 of this Letter of Offer.

**44. Fluctuations in our revenue and profit levels may cause fluctuations in the value of our Equity Shares**

Although we have enjoyed growth of revenues, fluctuations in revenue levels over short periods of time or over sustained periods of time due to any set of variable factors, including the maintenance of our competitive advantage in terms of cost and skill, retention of customers, industry fluctuations and adverse regulatory changes cannot be ruled out. Any of these or other circumstances could have a material adverse effect on our ability to sustain our revenue levels in the short-term as well as long term. A revenue plateau or decline due to any set of reasons would adversely affect investor perception. Furthermore, there may be instances in the future where our performance is below expectations of market analysts and our investors. This could lead to fluctuations or a decline in the market value of our Equity Shares over the short term or over a sustained period of time.

**45. The Travel and Tours Industry is cyclical and sensitive to changes in the economy and this could have a significant impact on our operations and financial results**

The Travel and Tours industry is cyclical and sensitive to changes in the economy in general. The sector may be unfavourably affected by such factors as changes in the global and domestic economies, changes in local market conditions. If the economic growth of India slows down there may be a gradual decline in the willingness for people to travel. A global or domestic recession may severely impact the Tour and Travel Industry and consequently our business. Such adverse developments in the Tour and Travel Industry in India or in the countries where our subsidiaries are located or where we have branch offices will have a negative impact on our profitability and financial condition.

**46. Our Company has entered into agreements for credit facilities that contain customary restrictive covenants, placing certain limitations on our Company**

Our Company has availed credit facilities from various banks for which appropriate agreements have been entered into. By virtue of these agreements we are bound by certain restrictive covenants. These restrictive covenants, *inter alia*, require us to take the prior consent of the lenders for amending our capital structure, creating a charge on our assets, undertaking mergers or amalgamations, expansion or diversification of our business and the like. We have obtained the consent of our bankers in relation to the Issue.

**Risks associated with Equity Shares**

**47. Grants of stock options under our ESOS will result in a charge to our profit and loss account and will to that extent reduce our profits**

We have adopted the ESOS, under which eligible employees of our Company and our Subsidiaries are able to participate, subject to such approvals as may be necessary. The total number of Equity Shares arising as a result of full exercise of options already granted, as on date, would amount to 1,08,00,000 Equity Shares. For further details on the exercise price of the option please refer to the section titled "Notes to the Capital Structure - ESOS" on page 26 of this Letter of Offer.

Under Indian GAAP, the grant of these stock options may result in a charge to our profit and loss account based on the difference between the fair market value determined on the date of the grant of the stock options and the exercise price. This expense will be amortised over the vesting period of the stock options.

**48. Future issuances or sales of the Equity Shares could significantly affect the trading price of the Equity Shares**

The future issuance of Equity Shares by our Company or the disposal of Equity Shares by any of our Company's major shareholders or the perception that such issuance or sale may occur may significantly affect the trading price of the Equity Shares.

**49. We may continue to be controlled by our Promoters, who by virtue of their aggregate shareholding will collectively own a substantial portion of our issued Equity Shares, as a result of which, the remaining shareholders may not be able to affect the outcome of shareholder voting**

After the completion of this Issue, our Promoters will collectively hold approximately 74.89% of the Equity



Shares, assuming all shareholders subscribe to their respective rights entitlement. Further, one of our Promoters, TCUK has given an undertaking to subscribe to the unsubscribed portion, if any in this Rights Issue such that to ensure a minimum subscription of 90% of the Issue. Should there be an unsubscribed portion, the shareholding of our Promoters after the rights issue could be higher than 74.89%. Consequent to all the above mentioned factors, our Promoters may exercise substantial control over us and, *inter alia*, may have the power to elect our Directors and/or influence the outcome of proposals for corporate action requiring approval of our Board of Directors or shareholders, such as lending and investment policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions/joint ventures.

**50. *You may not be able to immediately sell any of the Equity Shares you purchase in the Issue on the Stock Exchanges, which will subject you to market risk.***

For shareholders holding shares in demat mode, the Equity Shares purchased in this Rights Issue will not be credited to their demat accounts with depository participants and for shareholders holding in physical form, completion of dispatch of physical share certificates may not be completed until approximately fifteen days (15) days from the Issue Closing Date. You can start trading your Equity Shares only after receipt of listing and trading approvals in respect of these shares which will require additional time after the credit of Equity Shares into your demat account. Since our Company's Equity Shares are already listed on BSE and NSE, you will be subject to market risk from the date you pay for the Equity Shares offered through this Issue to the date they are listed.

**EXTERNAL RISK FACTORS**

**51. *Any occurrence of an epidemic in the countries where we operate tours may have an adverse effect on the operations of our business.***

The recent occurrence of SARS disease or Bird Flu or Mad Cow epidemic saw a drop in the number of tourist arrivals in the affected countries. The suspension of flights as a precautionary measure also impacts the numbers of tourists coming into the country. We have experienced cancellations of the tour bookings in light of such epidemics. Though we have in the past managed to control the losses by directing the tours to other countries, we may in the future not be able to control the losses due to cancellations on account of such epidemics. Also we may have to adopt low-price promotion policies, which may affect our profitability.

**52. *Regional conflicts in the Indian sub-continent could adversely affect the Indian economy and cause our business to suffer.***

The Indian sub-continent has from time to time experienced instances of civil unrest and hostilities among neighbouring countries. Events of this nature in the future, as well as social and civil unrest within other countries, could influence the Indian economy and could have a material adverse effect on the inbound and outbound tourism and on our business.

**53. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business***

Terrorist attacks and other acts of violence or war may cause a drop in the number of arrivals into the country. Countries have been known to regulate the number of arrivals after such attacks. After the September 11, 2001 attacks, the US government has passed stringent regulations governing the inflow of arrivals in US. Such attacks affect the Tour and Travel Industry directly including people becoming averse to travelling to locations where such terrorist attacks are prevalent. A significant portion of our revenues are generated from ground handling. If the number of tourist arrivals were to decrease as a result of terrorist attacks in India, it will significantly impact our revenues. Terrorist attacks and civil unrest may also have an adverse effect on Indian stock markets on which our Equity Shares will be traded. These acts may also result in a loss of business confidence, make travel and other services more difficult and may ultimately adversely affect our business. India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

**54. A slowdown in economic growth in India could adversely impact our business**

Tourism is directly linked with the economic growth of a country. Travel and tourism is very erratic in nature and based on the discretion of the clientele. As a consequence, the travel and tourism industry tends to experience adverse financial results during general economic downturns. Although the Indian Economy has sustained growth in the last few years, soft economic conditions would put pressure on the profitability of the industry and our business. Any slowdown in the Indian economy or in the growth of the travel and tourism industry could adversely affect our business and financial performance and the price of our Equity Shares.

**55. Central and State Governments in India have introduced various schemes / initiatives to boost tourism. Any withdrawal / adverse changes to such schemes / initiatives may affect our working**

The Central and State Governments in India are actively promoting India as a tourist destination through Incredible India campaign. This has provided a major boost to the Indian tourism sector. Any decision by the Governmental agencies to de-focus on similar promotions can have adverse impact on the growth of the sector.

**56. Our performance is linked to the stability of policies and political situation in India as well as the countries with which we have business operations. Political instability or changes in the Government in India could delay the further liberalization of the Indian economy and adversely affect economic conditions in India generally and our business in particular**

The role of the Central and State governments in the Indian economy as producers, consumers and regulators has remained significant over the years. Since 1991, the Government of India has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. We cannot assure you that these liberalization policies will continue in the future. Any adverse move could slowdown the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting our industry, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

**57. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price**

External factors such as potential terrorist attacks, terror threats, pandemics, acts of war or geopolitical and social turmoil in many parts of the world could prevent or hinder our ability to do business, increase our costs and negatively affect our stock price. For example, increased instability may adversely impact investment in industrial infrastructure, our ability to obtain adequate insurance at reasonable rates or require us to incur increased costs for security measures for our domestic and international operations. These uncertainties make it difficult for us and our customers to accurately plan future activities. More generally, these geopolitical social and economic conditions could result in increased volatility in India and worldwide financial markets and economy.

**58. After this Issue, the price of our Equity Shares may be highly volatile**

The prices of our Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including but not limited to:

- volatility in the Indian and global securities market;
- our results of operations and finance;
- performance of our competitors
- adverse media reports on our Company
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalisation and deregulation policies;
- significant developments in India's fiscal and environmental regulations etc

There can be no assurance that an active trading market for our Equity Shares will be sustained after this Issue.

## 59. Natural calamities could cause our business to suffer

The revenues of our Company can be affected by natural disasters which could adversely affect the business, financial condition and the operations of our Company. India has experienced natural calamities like earthquakes, floods, tsunami, instances of bird flu, drought etc. in the past. The extent and severity of these natural disasters determine their impact on the Indian economy and in turn impact on our business.

### Notes to Risk factors:

- 1) The Net worth of our Company on a consolidated basis as on December 31, 2007 and June 30, 2008 was Rs. 18,796.01 lacs and Rs. 21,228.51 lacs respectively. (Networth includes preference shares aggregating to Rs.10,387.56 lacs and Rs. 10,559.16 Lacs as on December 31, 2007 and June 30, 2008 respectively)
- 2) The book value of the equity shares of our Company on a consolidated basis as on December 31, 2007 was Rs. 5.23 per equity share (on Face Value of Re. 1/- each) and as on June 30, 2008 was Rs. 6.64 per equity share (on Face Value of Re. 1/- each).
- 3) This Issue is of 5,62,78,554 fully paid-up Equity Shares of Re.1/- each for cash at a price of Rs. 35.50 (including a premium of Rs. 34.50) per Equity Share aggregating Rs. 199,78,88,667 on rights basis to the existing equity shareholders of our Company in the ratio of 35 fully paid-up Equity Share for every 100 fully paid-up Equity Shares held on the Record Date, i.e. December 27, 2008.
- 4) The Average cost per share, in respect of the Promoter's current holding is given below:

Sr. No	Name of our Promoters	Average cost of acquisition of shares (in Rs.) (Adjusted to a face value of Re. 1/-)
1	TCIM Limited*	46.20
2	TCUK**	107.00

\* Pursuant to the SPA dated December 19, 2005, 87,50,000 equity shares of our Company of Rs.10 each were sold by TCOL to TCIM Limited for GBP 49,921,274. The implied price of acquisition is Rs. 462 per equity share of Rs. 10 each (GBP conversion rate assumed under the SPA is 1 GBP = Rs. 80.9775)

\*\* TCUK vide SPA dated March 7, 2008 purchased 100% of the fully paid-up equity share capital of TCIM for cash, along with its control, for total payment of Rs.93,625 lacs towards (1) Consideration for 100% ownership of TCIM and (2) Assumption of the debt due from TCIM to the Seller of GBP 49,921,274. This total consideration of Rs.93625 lacs, when divided by 87,500,000 (number of equity shares held by TCIM in our Company) amounted to indirect cost of Rs.107/- (Rupees One Hundred and Seven only) per equity share of our Company.

- 5) As on December 19, 2008 our Company had 23,728 shareholders.
- 6) Except as disclosed in the section titled "Capital Structure" beginning on page 18 of this Letter of Offer, we have not issued any shares for consideration other than cash.
- 7) Investors may note that in the event of oversubscription, allotment shall be made in consultation with BSE, which is the Designated Stock Exchange.
- 8) Except as stated under point no. 11 of notes to capital structure, there have been no transactions in the Company's Equity Shares by the Promoters/Promoter Group, directors of our Company and directors of the Promoters during a period of six months preceding the date of filing of this Letter of Offer with SEBI.
- 9) For interest of our Promoter and Promoter Group / Directors / Key managerial personnel please refer to interest of Promoters and Directors & Key managerial personnel on page 141 of this Letter of Offer.
- 10) In the ordinary course of our business we enter into transactions with certain related parties. The cumulative value of transactions for the six months period ended June 30, 2008 is as follows:



SI. No	Particulars	Aggregate Amount (Rs. in Lakhs)
(i)	Holding Company	
	Licence Fees paid	47.25
(ii)	Subsidiary Companies	
	Reimbursement of expenses	94.48
	Export of Foreign Currencies	1,900.15
	Services Aailed	165.14
	Outstanding Receivables	12.55
	Outstanding Payables	178.45
(iii)	Fellow Subsidiaries	
	Sale of Services	1073.09
	Services Aailed	73.09
	Outstanding Receivables	482.21
	Outstanding Payables	17.99
(iv)	Key Management Personnel	
	Remuneration	304.02
(v)	Relative of Key Management Personnel	
	Rent Expense	8.03
	Deposit Receivable	165.00
(vi)	Company in which a Director has significant influence	
	Rent and Professional Charges	58.19

For more details, please refer to the “Financial Statements” page 151 of this Letter of Offer.

- 11) Investors are advised to refer to “Basis for Issue Price” on page 37 of this Letter of Offer before investing in this Issue.
- 12) Please refer to the section on “Basis of Allotment” on page 302 of this Letter of Offer for details of the basis of allotment.
- 13) All information shall be made available by our Company and the Lead Manager to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc, after filing of this Letter of Offer with SEBI.
- 14) Investors may contact the Lead Manager or the Compliance Officer for any complaint/clarification/ information pertaining to the Issue. For contact details of the Lead Manager or the Compliance Officer please refer to the front cover page.

We and the Lead Manager are obliged to keep this Letter of Offer updated and inform the public of any material change/development till the listing and trading of the Equity Shares offered under the Issue commences.



## SECTION III: INTRODUCTION

### SUMMARY

*This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Letter of Offer, including the information contained in the chapters titled "Risk Factors" and "Financial Statements" and related notes beginning on pages viii and 151 of this Letter of Offer before deciding to invest in our Equity Shares.*

#### Industry Overview

##### Worldwide Travel and Tourism Industry

Since 2004, the annual increase in travel & tourism economy GDP has averaged 4% in real terms – faster than that of the global economy overall. And in the same period, travel & tourism has created more than 34 million jobs. Although growth is expected to slow in 2008, in line with the recent deterioration in the economic environment in developed economies, led by the USA, WTTC forecasts are still positive pointing to a 3% increase in Travel & Tourism Economy GDP and 6 million additional Travel & Tourism Economy jobs worldwide.

World travel & tourism is expected to contribute nearly US \$5,890 billion to global GDP in 2008 (equivalent to 9.9% of total GDP), rising to approximately US\$10,855 billion over the next ten years. The current global economic downturn is expected to have a moderate impact on Travel & Tourism Demand in 2008, with the annual growth rate experiencing a slight slowdown to 3.0%, as against 3.9% in 2007. Looking past this present cyclical downturn, the long-term forecasts point to a mature but steady phase of growth for world Travel & Tourism between 2009 and 2018, with growth averaging 4.4% per annum over the period, supporting 297 million jobs and 10.5% of global GDP by 2018.

In terms of regional performance, Africa, Asia Pacific and the Middle East are experiencing higher growth rates than the world average, in terms of total Travel & Tourism Demand, at 5.9%, 5.7% and 5.2% respectively, while the mature markets – most notably the Americas and Europe – are falling below the world average with growth of 2.1% and 2.3% respectively.

*Source: World Travel & Tourism Council (WTTC); Progress and Priorities, 2008 – 2009*

##### India Travel and Tourism Industry

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

Tourism in India has registered significant growth in the recent years. In 1951, international tourist arrivals stood at around 17,000 which has gone up to 4.45 million in 2006 and 5 mn in 2007. Indian tourism is one of the most diverse products on the global tourism scene. India has 26 world heritage sites. It is divided into 25 bio-geographic zones and has wide ranging eco tourism products. Apart from this, India has a 6,000 km coastline and dozens of beaches. India's great ethnic diversity translates into a wide variety of cuisine and culture. India also has a large number of villages, plantations and adventure locations. India is home to a great variety of wildlife and its wildlife reserves are well known throughout the world. It also has one of the world's biggest railway systems opening possibilities for those interested in rail tourism. India also has excellent hospitals offering affordable medicare and traditional healthcare systems like Ayurveda.

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

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

*Source: WTTC, Department of Tourism, Government of India, 11<sup>th</sup> Five year Plan 2007 – 2012*



**The Tourism business in India can be generally classified into 3 areas viz. Outbound Tourism, Inbound Tourism and Domestic Tourism. The same is explained as under:**

### **Outbound Tourism**

A booming economy, rising disposable incomes, higher aspirations, cheaper international air travel and better products from the industry has boosted outbound tourist flow. The number of outbound travelers from India has increased from 3.46 mn in 1996 to 9.78 mn in 2007.

### **Inbound Tourism**

Focused marketing of tourism products and branding of India as a high value destination coupled with policies targeted at strengthening of tourism infrastructure by the Ministry of Tourism have been responsible for a healthy growth in international tourist arrivals to India. Over the years, the arrival of foreign tourists has grown from about 17,000 in 1951 to 4.45 mn in 2006 and 5 mn in 2007. During the first 7 months of the current year, 2008, the figure is estimated at 3.15 mn arrivals.

Foreign exchange earnings from foreign tourist arrivals in India during 2006 and 2007 were approximately INR 40,375 crores and INR 47,925 crores respectively, a growth of about 18.7% over the previous year. For the first 7 months of the current year, this is estimated at INR 29,695 crores.

*Source: Ministry of Tourism, Government of India; <http://tourism.gov.in/>*

### **Domestic Tourism**

Indians travel within India mainly for pilgrimage/religious reasons, leisure, visiting families/friends and business.

### **Foreign Exchange Services**

Money changing business consists of buying and selling foreign currencies for the needs of the travelers. Foreign exchange comes into the country through tourists visiting India, physical currency deposits into FCNR accounts by NRIs. These foreign currencies are bought by the various foreign exchange players. Similarly foreign exchange is sold by these players to tourist going out of India. Excess currency in the system is exported back to the country of issuance.

Indian money changing industry is highly fragmented with very large number of regional and local players providing the money changing facilities to retail and corporate customers. However, these players are niche local players and lack on the scale of operations at national level. The size of their business makes it economically unviable for these smaller players to either consolidate excess currencies from other players and / or export currencies on their own. They are mainly dependent on few large players including our Company for consolidating and exporting the excess physical currency from India to country of issuance of these currencies.

RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority for the Indian financial system. A variety of financial intermediaries / entities in the public and private sectors are authorized to deal in foreign exchange and their major activities include the following:

<b>Category</b>	<b>Entities</b>
Authorised Dealer - Category - I	<ul style="list-style-type: none"> <li>• Commercial Banks</li> <li>• State Co-op Banks</li> <li>• Urban Co-op Banks</li> </ul>
Authorised Dealer - Category - II	<ul style="list-style-type: none"> <li>• Upgraded FFCs</li> <li>• Co-op. Banks</li> <li>• Regional Rural Banks (RRBs)</li> <li>• Others</li> </ul>
Authorised Dealer - Category - III	<ul style="list-style-type: none"> <li>• Select Financial and other Institutions</li> </ul>
Full Fledged Money Changers	<ul style="list-style-type: none"> <li>• Department of Posts</li> <li>• Urban Co-op. Banks</li> <li>• Other FFCs</li> </ul>

There are approximately 84 Authorised Dealers in category I, 11 Authorised Dealers in category II and 8 Authorised Dealers in category III.



## **Travel Insurance**

Travel Insurance can protect travelers against contingencies associated with traveling. This insurance provides coverage for emergencies such as emergency hospitalization due to accident or illness, loss or delay of checked luggage, loss of travel documents and accidental death/dismemberment, repatriation of remains and emergency medical evacuation. This policy often includes trip cancellation insurance and Personal liability.

## **Credit Cards**

There is an increasing trend to issue co-branded credit cards, which are issued by companies who want to create customer and brand loyalty. These cards are typically issued in association with banks, which take up the administrative work related to credit appraisal, issuance and subsequent billing, using their existing credit card business channels.

For more details please refer to section titled “Industry Overview” beginning on page no. 47 of this Letter of Offer.

## **Business Overview**

Our Company was incorporated on October 21, 1978 under the Act. It is one of the largest travel and travel related financial services Company in India, offering a wide spectrum of travel-related services that include Foreign Exchange, Travel management, Leisure Travel, and Travel Insurance. It operates in through the following divisions:

- Foreign Exchange and Financial Services – Authorized dealers in foreign exchange focused on providing travel related foreign exchange & payment solutions. Our Company also offers credit cards and financial services relating to travel insurance.
- Travel & Related Services – Services include consumer leisure travel retailing (such as retailing of package tours), travel management services (such as air, hotel reservations and land arrangements), leisure inbound service (services for customers of third party tour-operators at their arrival) and general sales agency business.

## **Competitive Strengths**

### **Integrated provider of travel & forex related services**

- Our Company is an integrated provider of travel & forex related services such as travel management, airline ticket and hotel booking, package tours, travel insurance, emergency services and providing forex to domestic and foreign tourists and business travelers and forex services to other forex dealers as well.
- We provide ‘one stop shop’ for all the travel requirements from visa to ticketing to holidays to insurance to foreign exchange under one roof. This cross selling of products facilitates our customers, thereby, making it our unique selling proposition.

### **Leadership & highly differentiated presence in forex market**

- We are one of the few non-banking institutions to have been granted Authorized Dealer (AD Category II) license by the RBI.
- AD license, combined with strong network, helps us offer the widest possible product suite in a cost-efficient manner.
- Merger of LKP Forex has further strengthened our leadership as a Foreign Exchange service provider.

### **Established institutional customer base**

- Country’s top public and private sector banks are customers of our wholesale forex services
- Ability to service both institutional and retail customers
- Provides travel management services for business travel and services to leading corporates including Multi National Companies in India



### **Strong domestic retail presence & growing overseas presence**

- Pan-India footprint for selling all products through a single customer interface – presence in around 160 locations in 55 cities in India.
- Approximately 200 Preferred Sales Agents in India
- Forex desks at strategic locations such as airport terminals
- Presence in 13 countries through our subsidiaries

### **Strong brand equity**

- We have a strong corporate image and brand equity
- Our Company has been recognized as a strong brand both locally and internationally.
- We enjoy leadership positions in all areas of our operations and believe that we are a benchmark setter for others in the industry.

### **Highly qualified and motivated employee base and proven management team**

- Our Company operates in service industry wherein the biggest asset of the Company is the quality of its human resources.
- Our Company is managed by Directors who are qualified and are having significant experience in the industry. The Board of Directors is supported by a team of professionals with several years of relevant experience.

### **High integrity and transparency levels**

- Our Company aims at maintaining high level of Corporate Governance - fairness, transparency, accountability and responsibility in the functioning of the Company with the ultimate objective of realizing and enhancing shareholders value.
- Our Company has in place Anti Money Laundering Policy to ensure that all internal and statutory guidelines are adhered to.
- Periodic audits are conducted to minimize risks and eliminate areas of concern.
- Internal control system is in place to continuously monitor transactions.

### **Customer focus**

- Our Company lays great emphasis on customer service and providing quality care to our customers. Our Company works towards providing 100% satisfaction to the customers. Service quality cell has been set up to ensure customer retention and repeat business.

### **Strong information technology infrastructure set-up**

- Our Company has a strong Information Technology infrastructure base with Wide Area Network connectivity covering all locations, to support its operations across the country.
- All hardwares are installed with anti-virus software to ensure that a virus-free and secured network is maintained.

### **Strategic Alliances / Tie Ups**

- Partnership and collaborations include those with State Bank of India, Citibank, JTB Corp., Cosmos, EuRail, Star Cruises, Cunard and others as also an alliance with Tata-AIG General Insurance Company Limited for underwriting of travel insurance and with ICICI Bank for issuance of co-branded credit cards
- Our Company has executed an International Money Transfer Agreement with MoneyGram Payment Systems, Inc whereby our Company is authorised by MoneyGram to provide Money Transfer Services.

For more details please refer to section titled “Business Overview” beginning on page no. 57 of this Letter of Offer.



## THE ISSUE

Equity Shares proposed to be issued by Our Company	5,62,78,554 Equity Shares
Rights Entitlement	35 fully paid-up Equity Share for every 100 fully paid-up Equity Shares held on the record date, i.e. December 27, 2008.
Record Date	December 27, 2008
Issue Price per Equity Share	Rs. 35.50
Equity Shares outstanding prior to the Issue	16,07,95,870 Equity Shares
Equity Shares outstanding after the Issue	21,70,74,424 Equity Shares
Terms of the Issue	For more information, see “ <b>Section VII – Issue Related Information</b> ” beginning on page 284 of this Letter of Offer.

### Terms of Payment

Due Date	Amount
On Application	100% of the Issue Price i.e. Rs. 35.50 per Equity Share, including share premium

## SELECTED FINANCIAL INFORMATION

The following tables set forth certain summary financial data derived from our restated financial statements as of and for the years ended October 31, 2003, 2004, 2005, fourteen months period ended December 31, 2006, year ended December 31, 2007 and six months period ended June 30, 2008. These financial statements have been prepared in accordance with Indian GAAP, the Act and SEBI (DIP) Guidelines. The financial statements have been restated as described in the Auditors' Report included therewith, in the section titled "Financial Statements" beginning on page no. 151 of this Letter of Offer. The selected financial information presented below should be read in conjunction with our financial statements contained in the Auditor's Report, the notes thereto and the section titled "Management Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 218 of this Letter of Offer.

### RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES OF THE COMPANY (CONSOLIDATED)

(Rs. In Lacs)

Particulars	As At					
	30th June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003
<b>A. Fixed Assets:</b>						
Gross Block	28,258.43	28,075.81	27,689.90	9,181.87	8,786.07	7,620.75
Less: Depreciation	6,978.80	6,725.75	6,172.20	3,909.39	3,552.30	3,164.90
Net Block	21,279.63	21,350.06	21,517.70	5,272.48	5,233.77	4,455.85
Advances for Capital Expenditure	106.45	377.08	58.28	284.78	172.35	352.92
<b>Total</b>	<b>21,386.08</b>	<b>21,727.14</b>	<b>21,575.98</b>	<b>5,557.26</b>	<b>5,406.12</b>	<b>4,808.77</b>
<b>B. Investments</b>	<b>34.84</b>	<b>70.30</b>	<b>1,253.49</b>	<b>1,414.95</b>	<b>60.76</b>	<b>489.75</b>
<b>C. Current Assets, Loans and Advances</b>						
Sundry Debtors	24,066.90	19,882.59	18,062.01	8,078.57	7,357.27	4,808.17
Cash and Bank Balance	17,235.41	17,238.74	19,170.64	9,323.84	9,836.39	6,825.44
Loans and Advances	9,599.99	8,396.59	6,037.61	3,826.65	2,979.87	3,049.66
<b>Total</b>	<b>50,902.30</b>	<b>45,517.92</b>	<b>43,270.26</b>	<b>21,229.06</b>	<b>20,173.53</b>	<b>14,683.27</b>
<b>D. Liabilities and Provisions</b>						
Loan Funds						
Secured Loans	651.63	254.07	614.27	21.80	1,553.85	38.11
Unsecured Loans	25,174.54	28,317.47	24,629.90	-	-	-
<b>Total</b>	<b>25,826.17</b>	<b>28,571.54</b>	<b>25,244.17</b>	<b>21.80</b>	<b>1,553.85</b>	<b>38.11</b>
<b>E. Current Liabilities and Provisions</b>						
Current liabilities	24,583.21	17,782.45	22,648.17	10,222.91	8,394.91	6,504.85
Provisions	604.59	1,910.62	1,615.43	732.75	723.77	711.16
<b>Total</b>	<b>25,187.80</b>	<b>19,693.07</b>	<b>24,263.60</b>	<b>10,955.66</b>	<b>9,118.68</b>	<b>7,216.01</b>
<b>F. Deferred Taxation (Net)</b>	<b>80.74</b>	<b>254.74</b>	<b>473.36</b>	<b>538.89</b>	<b>511.99</b>	<b>469.47</b>
<b>G. Minority Interest</b>	-	-	114.72	-	-	-
<b>Net Worth (A+B+C-D-E-F-G)</b>	<b>21,228.51</b>	<b>18,796.01</b>	<b>16,003.88</b>	<b>16,684.92</b>	<b>14,455.89</b>	<b>12,258.20</b>
<b>Represented by</b>						
Share Capital						
- Equity Capital	1,607.82	1,607.82	1,458.33	1,458.33	1,458.33	1,458.33
- Preference Capital	10,559.16	10,387.56	-	-	-	-
Share Capital Suspense	-	-	10,537.05	-	-	-
Reserves	9,062.75	6,801.85	4,009.62	15,227.49	12,998.42	10,800.67
Less: Miscellaneous Expenditure	(1.22)	(1.22)	(1.12)	(0.90)	(0.86)	(0.80)
<b>Net Worth / Shareholders fund</b>	<b>21,228.51</b>	<b>18,796.01</b>	<b>16,003.88</b>	<b>16,684.92</b>	<b>14,455.89</b>	<b>12,258.20</b>

Notes:

1. The accompanying Significant Accounting Policies and Notes to Accounts form an integral part of this statement.
2. Share Capital Suspense includes Preference Shares.



**RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS OF THE COMPANY (CONSOLIDATED)**  
(Rs. In Lacs)

Particulars	Period/ Year Ended					
	6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
<b>Income</b>						
Turnover	16,399.68	28,590.91	20,937.26	13,090.87	13,221.21	11,081.29
Other Income	581.04	2,049.85	2,041.13	1,109.79	807.85	315.85
<b>Total</b>	<b>16,980.72</b>	<b>30,640.76</b>	<b>22,978.39</b>	<b>14,200.66</b>	<b>14,029.06</b>	<b>11,397.14</b>
<b>Expenditure</b>						
Personnel Cost	5,850.64	9,577.06	6,668.79	3,451.54	3,298.62	2,803.55
Advertisement and Business Promotion	935.54	2,164.06	1,579.28	988.58	913.91	710.49
Other Expenses	4,717.65	8,629.87	7,115.73	4,594.61	4,773.86	3,885.71
Interest	1,505.84	2,858.54	577.78	63.00	63.28	105.29
Depreciation	545.29	884.38	1,154.32	683.83	575.61	459.73
<b>Total</b>	<b>13,554.96</b>	<b>24,113.91</b>	<b>17,095.90</b>	<b>9,781.56</b>	<b>9,625.28</b>	<b>7,964.77</b>
Profit before Taxation and Exceptional items	3,425.76	6,526.85	5,882.49	4,419.10	4,403.78	3,432.37
Provision for Taxation						
Current Tax	1,266.20	2,197.91	1,998.88	1,492.45	1,545.14	1,279.99
(Excess)/Short Provision of Income Tax for Earlier year	-	(27.09)	-	-	-	-
Fringe Benefit Tax	81.00	164.04	152.74	48.32	-	-
Deferred Tax	(174.00)	(218.62)	(80.48)	25.69	42.53	(28.22)
Profit after Taxation and before Exceptional item	2,252.56	4,410.61	3,811.35	2,852.64	2,816.11	2,180.60
Exceptional item, net of taxation	-	-	183.54	-	-	-
<b>Net profit</b>	<b>2,252.56</b>	<b>4,410.61</b>	<b>3,627.81</b>	<b>2,852.64</b>	<b>2,816.11</b>	<b>2,180.60</b>
Add: Transfer from Reserve created under Section 80HHD of the Income-tax Act, 1961	175.00	130.00	180.00	150.00	125.00	150.00
Less : Transfer to reserve as required under Section 80HHD of the Income-tax Act, 1961	-	-	-	-	-	150.00
Balance brought forward from previous year	5,569.39	2,809.25	7,720.92	5,610.47	3,562.39	2,233.67
	7,996.95	7,349.86	11,528.73	8,613.11	6,503.50	4,414.27
<b>Appropriations</b>						
Transfer to General Reserve	-	335.00	384.78	268.61	274.68	225.71
Proposed Dividend	-	1,235.50	803.91	546.88	546.88	546.88
Corporate Dividend Tax	-	209.97	136.63	76.70	71.47	79.29
Balance carried to Balance Sheet	7,996.95	5,569.39	10,203.41	7,720.92	5,610.47	3,562.39
	7,996.95	7,349.86	11,528.73	8,613.11	6,503.50	4,414.27

Note: The accompanying Significant Accounting Policies and Notes to Accounts form an integral part of this statement.



**RESTATED SUMMARY STATEMENT OF CASH FLOW (CONSOLIDATED)**

(Rs. In Lacs)

Particulars	Period/ Year Ended						
	6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003	
<b>A. Cash flow from operating activities</b>							
Net Profit before Taxation and after Exceptional Item	3,425.76	6,526.85	5,698.95	4,419.10	4,403.78	3,432.37	
Adjustments for -							
Depreciation	545.29	884.38	1,154.32	683.83	575.61	459.73	
Discounting charge for Employee Stock Option	8.35	9.70	-	-	-	-	
Interest on tax refunds	(0.30)	(29.52)	(2.69)	(1.71)	-	-	
Reversal of excess interest accrued on tax refund	-	-	-	-	-	2.02	
Interest Income	(40.62)	(104.08)	(125.87)	(57.29)	(58.14)	(83.13)	
Unrealised Exchange Variation (Net)	-	-	-	(3.57)	(1.61)	(0.80)	
Dividend Income	(0.44)	(10.13)	(28.86)	(76.85)	(62.98)	(16.61)	
(Profit)/Loss on Sale of Fixed Assets	93.24	(486.02)	(556.63)	(9.01)	(1.06)	16.89	
Profit on sale of Current Investment	-	-	-	-	(1.50)	-	
Profit on Sale of Subsidiary Company	-	-	(502.64)	(0.93)	-	-	
Profit on Redemption of Long-term Investment	(0.23)	(0.23)	(0.29)	(0.26)	(0.27)	-	
Provision for Diminution in the Value of Long-term Investment	-	-	-	(62.28)	0.22	-	
Interest Expense	1,505.84	2,858.54	577.56	64.69	63.28	105.23	
Preliminary expenses incurred	-	(0.10)	-	-	-	-	
Operating profit before working capital changes	<b>5,536.89</b>	<b>9,649.39</b>	<b>6,213.85</b>	<b>4,955.72</b>	<b>4,917.33</b>	<b>3,915.70</b>	
Adjustments for -							
Trade and Other Receivables	(5,189.14)	(2,056.83)	(10,562.84)	(1,545.49)	(1,948.92)	(470.08)	
Trade and Other Payables	6,025.79	(5,054.47)	10,181.59	1,787.22	1,788.85	1,117.27	
	<b>836.65</b>	<b>(7,111.30)</b>	<b>(381.25)</b>	<b>241.73</b>	<b>(160.07)</b>	<b>647.19</b>	
Cash generated from operations							
Direct Taxes paid (Net of refund of taxes)	(1,558.70)	(4,217.74)	(1,769.97)	(1,501.13)	(1,936.35)	(1,198.58)	
	(1,558.70)	(4,217.74)	(1,769.97)	(1,501.13)	(1,936.35)	(1,198.58)	
<b>Net cash from operating activities (A)</b>	<b>4,814.84</b>	<b>(1,679.65)</b>	<b>4,062.63</b>	<b>3,696.32</b>	<b>2,820.91</b>	<b>3,364.31</b>	
<b>B. Cash flow from investing activities</b>							

Purchase of Fixed Assets	(388.89)	(1,870.80)	(17,276.93)	(884.80)	(1,244.09)	(777.42)
Sale of Fixed Assets	91.42	860.67	1,470.38	67.99	72.20	22.82
Interest Received	53.84	121.35	180.58	45.21	48.09	121.03
Payment to Minority Shareholders	-	(114.72)	-	-	-	-
Decrease/ (Increase) in Investment	35.69	1,205.42	554.19	(1,290.71)	430.75	(474.68)
Outflow on account of Amalgamation with LKP Forex Limited	-	-	(5,035.62)	-	-	-
Consolidation of Thailand Subsidiary*	-	-	224.94	-	-	-
Dividend Received	0.44	10.13	28.86	76.85	62.98	16.61
<b>Net cash used in investing activities (B)</b>	<b>(207.50)</b>	<b>212.05</b>	<b>(19,853.60)</b>	<b>(1,985.46)</b>	<b>(630.07)</b>	<b>(1,091.64)</b>
<b>C. Cash flow from financing activities</b>						
Proceeds from Borrowings (net)	-	3,405.57	24,198.80	-	1,497.70	(1,765.60)
Repayment of Borrowings	(2,727.72)	-	-	(1,535.81)	-	-
Interest Paid	(1,525.01)	(2,809.92)	(445.35)	(64.51)	(62.77)	(105.90)
Proceeds from Issue of Share Capital	171.60	-	-	-	-	-
Payment of Finance Lease liability	(17.65)	(78.21)	(51.95)	(5.40)	-	-
Dividend Paid	(432.06)	(845.12)	(502.65)	(546.22)	(544.75)	(481.25)
Tax on Dividend Paid	(79.83)	(136.62)	(76.70)	(71.47)	(70.07)	-
<b>Net cash from/(used in) financing activities (C)</b>	<b>(4,610.67)</b>	<b>(464.30)</b>	<b>23,122.15</b>	<b>(2,223.41)</b>	<b>820.11</b>	<b>(2,352.75)</b>
<b>Net increase/(decrease) in cash and cash equivalents ( A+B+C)</b>	<b>(3.33)</b>	<b>(1,931.90)</b>	<b>7,331.18</b>	<b>(512.55)</b>	<b>3,010.95</b>	<b>(80.08)</b>
<b>Cash and Cash Equivalents - Opening Balance</b>	<b>17,238.74</b>	<b>19,170.64</b>	<b>9,323.84</b>	<b>9,836.39</b>	<b>6,825.44</b>	<b>6,905.52</b>
Add: Cash and Bank balance taken over on Amalgamation of LKP Forex Limited	-	-	2,515.62	-	-	-
<b>Cash and Cash Equivalents - Closing Balance</b>	<b>17,235.41</b>	<b>17,238.74</b>	<b>19,170.64</b>	<b>9,323.84</b>	<b>9,836.39</b>	<b>6,825.44</b>

**Note:**

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

\* In the year ended 31st October 2005, Thailand subsidiary was shown as investment and the same has been consolidated in the period ended 31st December 2006.



## GENERAL INFORMATION

Dear Equity Shareholder(s),

Pursuant to the resolution passed at the meeting of Board of Directors of our Company on August 26, 2008, it has been decided to make the following offer to the Equity Shareholders of our Company, with a right to renounce:

**ISSUE OF 5,62,78,554 FULLY PAID-UP EQUITY SHARES OF RE.1/- EACH FOR CASH AT A PRICE OF RS. 35.50 (INCLUDING A SHARE PREMIUM OF RS. 34.50) PER EQUITY SHARE AGGREGATING RS. 199,78,88,667 ON RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 35 FULLY PAID-UP EQUITY SHARE FOR EVERY 100 FULLY PAID-UP EQUITY SHARES HELD ON THE RECORD DATE, i.e. DECEMBER 27, 2008.**

**THE FACE VALUE OF THE EQUITY SHARES IS RE. 1/- PER EQUITY SHARE. THE ISSUE PRICE OF RS. 35.50 IS 35.50 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.**

### Important

1. This offer is applicable only to those Equity Shareholders whose names appear as beneficial owners in respect of the Equity Shares held in the electronic form and on the Register of Members of our Company in respect of the Equity Shares held in physical form as on December 27, 2008 i.e. the Record Date fixed in consultation with the Designated Stock Exchange.
2. Your attention is drawn to "Risk Factors" appearing on page no. viii to xxiii of this Letter of Offer.
3. Please ensure that you have received the CAF along with this Letter of Offer. In case the original CAF is not received, lost or misplaced by the shareholder, the Registrar will issue a duplicate CAF on the request of the shareholder who should furnish the registered folio number/ DP and Client ID number and his/her full name and address to the Registrar. Please note that those applicants who are making the application in the duplicate CAF should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. In case the original and the duplicate CAFs are lodged for subscription, allotment will be made on the basis of the duplicate CAF and the original CAF will be ignored.
4. Please read this Letter of Offer and the instructions contained therein and in CAF carefully, before filling in the CAF. The instructions contained in the CAF are an integral part of this Letter of Offer and must be carefully followed. Application is liable to be rejected for non-compliance with the terms of this Letter of Offer or the CAF.
5. All enquiries in connection with this Letter of Offer or CAF should be addressed to the Registrars to the Issue, TSR Darashaw Limited quoting the registered folio number / DP and Client ID Number and the CAF number, as mentioned in the CAF.
6. The Issue will be kept open for a minimum period of fifteen days. If extended, it will be kept open for a maximum period of thirty days.
7. Lead Manager and our Company shall update this Letter of Offer and keep the public informed of any material changes till the listing and trading commences for Equity Shares offered through this Issue.

### ISSUE SCHEDULE

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSSES ON
Wednesday, December 31, 2008	Wednesday, January 7, 2009	Wednesday, January 14, 2009



## Registered Office of Our Company

### Thomas Cook (India) Limited

Thomas Cook Building,  
 Dr. D. N. Road,  
 Fort, Mumbai 400 001  
 Tel: +91 22 2204 8556/7/8  
 Fax: +91 22 2287 1069  
 E-mail: sharedept@in.thomascook.com  
 Website: www.thomascook.com

Registration Number: 20717 of 1978

Company Identification Number: L63040MH1978PLC020717

We are registered with the Registrar of Companies, Mumbai located at Everest, 5<sup>th</sup> Floor, 100, Marine Drive, Mumbai 400 002, Maharashtra, India.

The Equity Shares of our Company are listed on BSE and NSE.

### Board of Directors

Our Board comprises:

Sr. No.	Details	Date of Appointment	Qualifications
1	Mr. Udayan Bose S/o: Prabhas Chandra Bose 59 years Chairman (Non-Executive) Occupation: Banker Address: 34A, Sterling Apartments, Pedder Road, Mumbai 400 026	January 21, 2006 (appointed as Additional Director, regularized on March 28, 2006)	BSc. Honors. (Chemistry & Mathematics)
2	Mr. Manny Fontenla – Novoa S/o. Jesus Fontenla Novoa 54 years Non – Executive Director Occupation: Service Address: Brooks Edge, 7 Belfry Lane, Collingtree Park Northampton NN4 0PB –UK	March 30, 2008 (appointed as Additional Director, regularized on June 27, 2008)	“O” Level in Spanish and Art
3	Dr. Juergen Bueser S/o. Walter Bueser 42 Years Non – Executive Director Occupation: Service Address: 6, Lynfield Lane, Chesterton – CB4 1DR Cambridge, England	March 30, 2008 (appointed as Additional Director, regularized on June 27, 2008)	PHD in Mathematics and Theoretical Physics
4	Mr. Angus Porter S/o. Alastair Robert Wilson 51 years Non – Executive Additional Director Occupation: Service Address: The Nineteenth, Treadway Hill, Flackwell Heath, Buckinghamshire, HP10 9PD, U.K.	July 29, 2008 (appointed as Additional Director)	M.A., PhD

Sr. No.	Details	Date of Appointment	Qualifications
5	Mr. Michael Hallisey S/o. William Hallisey 54 years Non – Executive Director Occupation: Director Address: 6 Castlebar Road, Ealing – W5 2DP London, England	March 30, 2008 (appointed as Additional Director, regularized on June 27, 2008)	LLB from Hull University, Solicitor Passing Law Society Part II Examination
6	Mr. Roland Zeh S/o. Karlheinz Zeh 39 years Non – Executive Director Occupation: Service Address: Deutschherenufer 45, 60594 Frankfurt, Germany	March 30, 2008 (appointed as Additional Director, regularized on June 27, 2008)	Diplom Kaufmann (Masters in Business Administration) from Johann-Wolfgang- Goethe-University
7	Mr. Dilip De S/o Ajit De 56 years Non – Executive Director (Independent) Occupation: Business Address: 51A, Maker Tower, Cuffe Parade, Mumbai - 400 005	January 21, 2006 (Appointed as Additional Director, regularized on March 28, 2006)	Graduation in Commerce from St. Xavier's College, Kolkata
8	Mr. A. V. Rajwade S/o Vishnu Rajwade 71 years Non – Executive Director (Independent) Occupation: Consultant. Address: 2, Parshwa Kunj. Malaviya Road, Vile Parle (East), Mumbai 400 057	January 21, 2006 (Appointed as Additional Director, regularized on March 28, 2006)	B. Sc. (Hons.) with Major in Statistics and also holds the membership of C.A.I.I.B.
9	Mr. Hoshang Billimoria S/o Shavaksha Billimoria 57 years Non – Executive Director (Independent) Occupation: Director Address: 4A Jeevan Jyot, Setalwada Lane, Off Nepean Sea Road, Mumbai 400 006	December 7, 1983 (Appointed as Additional Director, regularized on March 06, 1984)	Graduate in Commerce (Mumbai University), Chartered Accountant from the Institute of Chartered Accountants of England and Wales
10	Mr. Madhavan Menon S/o Manikanth Menon 53 years Managing Director Occupation: Service Address: Flat No. 702, Supreme Pearl, 17th Road, Khar (West) Mumbai – 400 052	May 1, 2006 (Appointed as Managing Director w.e.f. May 1, 2006. However, he has been on the Board since May 1, 2000)	B.A. (Business) - George Washington, University, U.S.A., M.B.A. (Fin & Intl Buss.), - George Washington University, U.S.A.
11	Mr. Vinayak K. Purohit S/o: Kashinath Purohit Age:52 years Executive Director – Finance Occupation: Service Address: Flat No. 1003 / 1004, Astoria Bldg., 10th floor, Raheja Garden, Thane - 400 604	May 14, 2007 (Appointed as Additional Director, regularized on June 25, 2007)	B.Com., Chartered Accountant
12	Mr. Rakshit Desai S/o. Mr. Pradeep Desai 32 years Additional & Executive Director – Travel Services Occupation: Service	November 25, 2008	B.Com., MBA (International Business), M.Sc. (Econ.)



Sr. No.	Details	Date of Appointment	Qualifications
	Address: 46, Petersfield Mansions, Petersfield, Cambridge, United Kingdom CB11BB		

For further details in relation to our Board of Directors please refer to “Management” beginning on page 123 of this Letter of Offer.

### Compliance Officer

Rambhau Kenkare  
President & Head - Legal & Company Secretary  
Thomas Cook (India) Limited  
Thomas Cook Building,  
Dr. D. N. Road,  
Fort, Mumbai 400 001  
Tel: +91 22 2204 8556 / 7 / 8  
Fax: +91 22 2287 1069  
Email: sharedept@in.thomascook.com

**Investors may contact the Compliance Officer for any Pre-Issue / Post-Issue related matters.**

### Bankers to our Company

<b>State Bank of India</b> Overseas Branch, World Trade Centre, Cuffe Parade, Colaba, Mumbai 400 005 Tel: +91 22 22189161 Fax: +91 22 22181477 Contact person: Mr. Madhusudan Mahabal Email: m.mahabal@sbi.co.in	<b>The Hongkong and Shanghai Banking Corporation Ltd</b> 52/60 M.G. Road, Mumbai 400 001 Tel: +91 22 2268 1093 Fax: +91 22 66536014 Contact person: Ms. Surbhi Jain / Ms. Tulika Garg Email: surbhijain@hsbc.co.in / tulikagarg@hsbc.co.in
<b>Standard Chartered Bank</b> 90 M.G. Road, Fort, Mumbai 400 001 Tel: +91 22 22675395 Fax: +91 22 22619866 Contact person: Mr. Sachit Swarup Email: sachit.swarup@in.standardchartered.com	<b>ICICI Bank Limited</b> Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: +91 22 26537515 Fax: +91 22 26531179 Contact person: Mr. Uttamjit Aurora Email: uttamjit.aurora@icicibank.com
<b>HDFC Bank Limited</b> Trade World, “A” Wing, , 2 <sup>nd</sup> Floor, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 Tel: +91 22 24988484 Fax: +91 22 24960773 Contact person: Mr. Sumant Rampal Email: sumant.rampal@hdfcbank.com	<b>Axis Bank Limited</b> Atlanta, 209, Nariman Point Mumbai 400 021 Tel: +91 22 66390936 Fax: +91 22 66390935 Contact person: Mr. Rahul Vaidya Email: rahul.vaidya @axisbank.com
<b>Deutsche Bank AG</b> DB House, Hazarimal Somani Marg, Fort, Mumbai 400 001. Tel: +91 22 6658 4045 Fax: +91 22 2207 6553 Contact person: Mr. Shyamal Malhotra Email: shyamal.malhotra@db.com	<b>ABN AMRO Bank N.V.</b> Sakhar Bhavan, 2 <sup>nd</sup> floor, Nariman Point, Mumbai 400 021 Tel: +91 22 6637 2500 Fax: +91 22 66372403 Contact person: Mr. Tajinder Singh Setia Email: tajinder.singh.setia@in.abnamro.com



## **ISSUE MANAGEMENT TEAM**

### **Lead Manager to the Issue**

#### **Ambit Corporate Finance Private Limited**

Ambit House, 449, Senapati Bapat Marg,  
Lower Parel, Mumbai 400 013  
Tel: +91 22 3982 1819 Fax: +91 22 3982 3020  
Contact person: Praveen Kumar Sangal / Astha Singhania  
Website: <http://www.ambitcf.com>  
Email: [thomascookrights@ambitpte.com](mailto:thomascookrights@ambitpte.com)

### **Legal Advisor to the Issue**

#### **India Law Alliance,**

F8, Laxmi Mills, Shakti Mills Lane,  
Off Dr. E. Moses Road, Mahalaxmi,  
Mumbai 400 011  
Tel: +91 22 6655 1772 Fax: +91 22 6655 1776  
Contact Person: Kamlesh Kharade  
E-mail: [kamlesh.kharade@indialawalliance.com](mailto:kamlesh.kharade@indialawalliance.com)

### **Auditors of our Company**

#### **Lovelock & Lewes**

Chartered Accountants  
252, Veer Savarkar Marg,  
Shivaji Park, Dadar,  
Mumbai 400 028  
Tel: + 91 22 6669 1000  
Fax: +91 22 6654 7800  
Email: [tcil.rights@in.pwc.com](mailto:tcil.rights@in.pwc.com)

### **Registrar to the Issue**

#### **TSR Darashaw Limited,**

6-10, Haji Moosa Patrawala Industrial Estate,  
20, Dr. E. Moses Road, Mahalaxmi,  
Mumbai 400 011  
Tel: 91 22 6656 8484  
Fax: 91 22 6656 8494  
Contact Person: Nandini Nair  
Website: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)  
Email: [tcookrights@tsrdarashaw.com](mailto:tcookrights@tsrdarashaw.com)

**The investor should contact the Compliance Officer or the Registrars to the Issue in case of any Pre-Issue/Post - Issue related problems such as non-receipt of letters of allotment/ Equity Share certificates/ refund orders etc.**

## Bankers to the Issue

### HDFC Bank Limited

26A Narayan Properties,  
L Wing, 4th Floor, Off Saki Vihar Road,  
Saki Naka, Andheri (East),  
Chandivili, Mumbai - 400 072.  
Tel: 91 22 28569009 Extn 1639  
Fax: 91 22 28569256  
Contact Person: Deepak Rane  
Website: www.hdfcbank.com  
Email: deepak.rane@hdfcbank.com

### Inter-se Allocation of responsibilities

As there is only one Lead Manager inter-se allocation of responsibilities is not applicable. However, the list of major responsibilities of Ambit Corporate Finance Private Limited, inter alia, is as follows:

Sr. No.	Activities
1	Capital structuring with the relative components and formalities such as composition of debt and equity type of instruments.
2	Drafting of offer document and of advertisement/publicity material including newspaper advertisements and brochure/memorandum containing salient features of the offer document. The Lead Manager shall ensure compliance with SEBI DIP Guidelines and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI.
3	Selection of various agencies connected with the Issue, namely Registrars to the Issue, printers, monitoring agency and advertisement agencies.
4	Follow up with Bankers to the Issue to get quick estimates of collection and advising the Issuer about closure of the Issue based on the correct figures.
5	The post issue activities will involve essential follow up steps which must include finalization of basis of allotment/weeding out of multiple applications, listing of instruments and despatch of certificates and refunds, with the various agencies connected with the activities such as Registrars to the Issue, Bankers to the Issue. Whilst, many of the post issue activities will be handled by other intermediaries, the designated Lead Manager shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through suitable agreements with the Issuer Company.

### Credit Rating

This being an Issue of Equity Shares, no credit rating is required. However, details of the current credit ratings for various debt programmes of our Company by CRISIL are given below:

Year	Instrument & Amount	Rating	Rating Valid till	Rationale
November 2008	Rs.10,000 lacs short-term debt programme (Enhanced from Rs.5000 lacs)	P1+	Under continuous surveillance	The ratings are underpinned by the financial and operational support our Company gets from its parent Thomas Cook Group Plc and our company's leading position in the foreign exchange (forex) business, strong brand equity, and diversified revenue profile. These strengths are partially offset by our Company's moderate financial risk profile, susceptibility to geo-political risks, and increasing competitive pressure on margins. CRISIL believes that our Company's financial risk profile will remain constrained by our
	Rs.680 lacs proposed long-term facilities	AA-/Stable (Reaffirmed)		
	Rs.15,820 lacs cash credit – book debt	AA-/Stable (Reaffirmed)		
	Rs.300 lacs proposed short-term facilities	P1+ (Reaffirmed)		
	Rs.260000 lacs short-term loans	P1+ (Reaffirmed)		
	Rs.2700 lacs bank guarantee	P1+ (Reaffirmed)		





Year	Instrument & Amount	Rating	Rating Valid till	Rationale
	Rs.105000 lacs short-term preference shares	P1+ (Reaffirmed)		company's adverse capital structure and high working capital requirements, leading to high interest cost.

CRISIL has assigned its bank loan ratings of '**AA-/Stable/P1+**' to the various bank facilities of our Company and has reaffirmed its ratings on our company's short-term debt and short term preference share capital at '**P1+**'.

**Disclaimer:** A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. Ratings are revised as and when circumstances so warrant.

### Initial Public Offering (IPO) Grading

This being a rights issue of Equity Shares, IPO grading is not applicable.

### Debenture Trustee

This being an Issue of Equity Shares, an appointment of Debenture trustee is not required.

### Monitoring Agency

Not Applicable

### Appraising Entity

Not Applicable

### Underwriting / Standby arrangements

The present Issue is not underwritten and our Company has not made any standby arrangements for the present Rights Issue.

TCUK, one of our Promoters, will be subscribing to their rights entitlement and would also subscribe to the unsubscribed portion, if any, in this Rights Issue such that to ensure a minimum subscription of 90% of the Issue, as per the relevant provisions of the law. For details please refer to note no. 7 of the Capital Structure.

The average market capitalisation of TCIL for the financial year April 1, 2007 to March 31, 2008 is 1109.06 crores (Source: www.bseindia.com) and the number of outstanding listed equity shares are in excess of two crores, therefore in terms of existing clause 40A of the Listing Agreement, the minimum public shareholding applicable to the Company is 10%.

The Company vide their letter dated August 29, 2008 had sought a clarification from BSE, as regards, the minimum public shareholding applicable to the Company. BSE vide, Letter no. DCS/COMP/SD/290/2008-09 dated September 17, 2008 has clarified that in terms of Clause 40A of the Listing Agreement, for the financial year April 1, 2008 to March 31, 2009, the minimum public shareholding applicable to our Company, is 10%.

The Company vide its undertaking dated December 12, 2008 has certified that if the public shareholding in the Company after the proposed rights issue or otherwise falls below the permissible minimum level as specified in the listing agreement, the Company shall take necessary steps to facilitate compliance with the provisions of clause 40A of the listing agreement within the time period stipulated therein. The Company further confirms that it will be in compliance with Clause 40A of the Listing Agreement on a continuous basis.

## **Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Act which is reproduced below:

### **“Any person who**

- a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”**

## **Minimum Subscription**

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall forthwith refund the entire subscription amount received within fifteen (15) days from the date of closure of the Issue. If there is a delay in the refund of subscription beyond eight days after the date from which our Company becomes liable to pay the subscription amount (i.e. fifteen (15) days after the date closure of the Issue), our Company shall pay interest for the delayed period at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act, 1956.

The Rights Issue will become undersubscribed after considering the number of Equity Shares applied as per entitlement, allotment to renounces for shares renounced in their favour, plus additional Equity Shares applied by either by them. The undersubscribed portion, if any, shall be applied for only after the close of the Issue. TCUK, one of our Promoters, has confirmed that they would subscribe to their entitlements in this Rights Issue in full and would also subscribe to the unsubscribed portion, if any, in this Rights Issue such that to ensure a minimum subscription of 90% of the Issue, as per the relevant provisions of the law. Subscription by TCUK and TCIM to the extent of their entitlement in the Issue and acquisition of additional Equity Shares by TCUK in case of undersubscription, if any, will not result in change of control of the management of the Company and shall be exempt in terms of proviso to Regulation 3(1)(b)(ii) of the SEBI Takeover Regulations. For details please refer to note no. 7 of the Capital Structure.



## CAPITAL STRUCTURE

The share capital of our Company as on the date of filing of this Letter of offer with SEBI is set forth below:

*(in Rs.)*

	Aggregate Value at Nominal Price	Aggregate Value at Issue Price
<b>Authorised Share Capital</b>		
<b>Equity:</b>		
34,58,27,060 Equity Shares of face value of Re. 1/- each	34,58,27,060	
<b>Preference:</b>		
11,47,60,000 Class A 4.65% Cumulative Non – Convertible Redeemable Preference Shares of Rs. 10/- each	114,76,00,000	
3,55,294 Class B 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each	35,52,940	
3,02,000 Class C 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each	30,20,000	
12,50,00,000 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- each	125,00,00,000	
<b>Issued, Subscribed and Paid Up Share Capital before the Issue</b>		
<b>Equity:</b>		
16,07,95,870 Equity Shares of Re.1/- each fully paid up	16,07,95,870	
<b>Preference:</b>		
3,19,765 Class B 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each	31,97,650	
2,71,800 Class C 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each	27,18,000	
10,50,00,000 1% Cumulative Non Convertible Redeemable Preference Shares of Rs. 10/- each	105,00,00,000	
<b>Present Issue of Equity Shares to the existing Equity Shareholders in terms of this Letter of Offer</b>		
5,62,78,554 Equity Shares of Re.1/- each at a Issue Price of Rs. 35.50 per Equity Share (including premium of Rs. 34.50 per Equity Share)	5,62,78,554	199,78,88,667
<b>Issued, Subscribed and Paid Up Share Capital after Issue</b>		
<b>Equity:</b>		
21,70,74,424 Equity Shares of Re.1/- each	21,70,74,424	
<b>Preference:</b>		
3,19,765 Class B 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each	31,97,650	
2,71,800 Class C 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each	27,18,000	
10,50,00,000 1% Cumulative Non Convertible Redeemable Preference Shares of Rs. 10/- each*	105,00,00,000	
<b>Share Premium Account</b>		
Before the Issue	8,68,591	
After the Issue	194,24,78,704	

\* Proposed to be redeemed out of the Issue proceeds.

## Increase in Authorised Capital

Date	Authorised Capital Increased From	Authorised Capital Increased to
October 21, 1978	-	Incorporated with an authorised capital of 15,00,000 equity shares of Rs.10/- each aggregating to Rs. 150 lacs
September 20, 1990	15,00,000 equity shares of Rs. 10/- each aggregating to Rs. 150 lacs	50,00,000 equity shares of Rs.10/- each aggregating to Rs. 500 lacs
May 17, 1995	50,00,000 equity shares of Rs. 10/- each aggregating to Rs.500 lacs	200,00,000 equity shares of Rs.10/- each aggregating to Rs. 2,000 lacs
January 20, 2007	200,00,000 equity shares of Rs. 10/- each aggregating to Rs. 2,000 lacs	<ul style="list-style-type: none"> <li>34,58,27,060 Equity Shares of face value of Re. 1/- each,</li> <li>11,47,60,000 Class A 4.65% Cumulative Non – Convertible Redeemable Preference Shares of Rs. 10/- each,</li> <li>3,55,294 Class B 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each,</li> <li>3,02,000 Class C 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each,</li> </ul> Aggregating to Rs. 15,000 lacs.
January 11 2008	<ul style="list-style-type: none"> <li>34,58,27,060 Equity Shares of face value of Re. 1/- each,</li> <li>11,47,60,000 Class A 4.65% Cumulative Non – Convertible Redeemable Preference Shares of Rs. 10/- each,</li> <li>3,55,294 Class B 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each,</li> <li>3,02,000 Class C 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each,</li> </ul> aggregating to Rs. 15,000 lacs.	<ul style="list-style-type: none"> <li>34,58,27,060 Equity Shares of face value of Re. 1/- each,</li> <li>11,47,60,000 Class A 4.65% Cumulative Non – Convertible Redeemable Preference Shares of Rs. 10/- each,</li> <li>3,55,294 Class B 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each,</li> <li>3,02,000 Class C 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each,</li> <li>12,50,00,000 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- each aggregating to Rs. 27,500 lacs.</li> </ul>

### Notes to Capital Structure:

#### 1. Equity share capital history of Our Company since inception:

Date of allotment	No. of shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Reasons for Allotment/Type of Issue	Cumulative Securities Premium Account (in Rs.)	Cumulative Paid -up Capital (in Rs.)
November 20, 1978	2	10	10	Cash	Subscription to Memorandum & Articles of Association	-	20
March 1, 1979	5	10	10	Cash	Allotment (Please refer note a)	-	70
February 18, 1983	6,99,993	10	10	(Please refer note b)	Initial Public Offering	-	7,000,000

Date of allotment	No. of shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Reasons for Allotment/Type of Issue	Cumulative Securities Premium Account (in Rs.)	Cumulative Paid-up Capital (in Rs.)
February 1, 1988	3,50,000	10	-	Bonus	Bonus Issue (1:2)	-	1,05,00,000
March 27, 1991	5,25,000	10	-	Bonus	Bonus Issue (1:2)	-	1,57,50,000
December 28, 1993	15,75,000	10	-	Bonus	Bonus Issue (1:1)	-	3,15,00,000
October 11, 1995	21,00,000	10	-	Bonus	Bonus Issue (2:3)	-	5,25,00,000
September 12, 1997	34,96,665	10	-	Bonus	Bonus Issue (2:3)	-	8,74,66,650
December 15, 1997	3,335	10	-	Bonus	Fractional Allotment in Bonus Issue (2:3)	-	8,75,00,000
July 27, 2000	58,27,642	10	-	Bonus	Bonus Issue (2:3)	-	14,57,76,420
November 9, 2000	5,691	10	-	Bonus	Fractional Allotment in Bonus Issue (2:3)	-	14,58,33,330
February 7, 2007	14,94,900	10	-	Share Swap	Pursuant to the scheme of amalgamation of LKP Forex Limited (Please refer note c)	-	16,07,82,330
1,60,78,233 equity shares of face value of Rs. 10/- per share were sub-divided into 16,07,82,330 Equity Shares of face value of Re.1/- each on May 21, 2007 pursuant to the resolution passed by the shareholders by way of Postal Ballot on April 28, 2007							
August 26, 2008	13,540	1	61.89	ESOP Scheme	Allotment pursuance of ESOP Scheme	8,68,591 (Please refer note d)	16,07,95,870
<b>Total</b>	<b>16,07,95,870</b>						

**Note:**

- Allotted vide Board Resolution passed at their meeting held on March 1, 1979
- Our Company had made an issue of 6,99,993 equity shares of Rs. 10/- each at par vide prospectus dated November 20, 1982, out of which:
  - 2,79,993 equity shares of Rs. 10/- each were allotted to TCOL, England at par for consideration other than cash,
  - 1,05,000 equity shares of Rs. 10/- each were reserved for allotment to State Bank of India at par,
  - 35,000 equity shares of Rs. 10/- each were reserved for allotment to working Directors / Employees of our Company at par and
  - The balance 2,80,000 equity shares of Rs. 10/- each were offered to public for subscription at par.
- For details of the scheme, please refer to the section titled "Our History & Main Objects" on page 96 of this Letter of Offer.
- The securities premium is calculated based on the fair value calculated at the time of issuance of equity shares under ESOP Scheme. The fair value per equity share was Rs. 65.15. The difference between exercise price (Rs. 61.89 per equity share) and fair value has been charged as an expense as per SEBI ESOP Guidelines.

**2. Preference share capital history of our Company since inception:**

Date of Allotment	Class of preference shares	No. of preference shares allotted	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration
February 7, 2007	Class A 4.65% Cumulative Non Convertible Redeemable Preference Shares of Rs. 10/- each*	103,284,000	10	10	Cash
February 7, 2007	Class B 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each**	319,765	10	10	Cash
February 7, 2007	Class C 0.001% Cumulative Convertible /	271,800	10	10	Cash

Date of Allotment	Class of preference shares	No. of preference shares allotted	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration
	Redeemable Preference Shares of Rs. 10/- each**				
January 29, 2008	1% Cumulative Non Convertible Redeemable Preference Shares of Rs. 10/- each**	105,000,000	10	10	Cash

\* As per the scheme of amalgamation, 103,284,000 Class A 4.65% Cumulative Non – Convertible Redeemable Preference Shares of Rs. 10/- each amounting to Rs. 10,328 Lacs were allotted on February 7, 2007 and were redeemed on January 30, 2008 out of the proceeds of 1% Cumulative Non Convertible Redeemable Preference Shares of Rs. 10/- each allotted on January 29, 2008

\*\* Listed on BSE and NSE

3. **Reduction in Capital:** We have till date not reduced our share capital, except redemption of Class A 4.65% Cumulative Non Convertible Redeemable Preference Shares as disclosed above.
4. **Issue for Consideration Other than Cash:** Except as stated below, our Company has not issued any equity share for consideration other than cash:
  - a. 2,79,993 equity shares of Rs. 10/- each were allotted to TCOL, England at par for consideration other than cash at the time of Initial Public Offering and
  - b. Our Company has not capitalized any of its reserves or profits since inception except for the details given below:

Date of Allotment	No. of equity shares	Face Value (in Rs.)	Reasons for Allotment
February 1, 1988	3,50,000	10	Bonus Issue (1:2)
March 27, 1991	5,25,000	10	Bonus Issue (1:2)
December 28, 1993	15,75,000	10	Bonus Issue (1:1)
October 11, 1995	21,00,000	10	Bonus Issue (2:3)
September 12, 1997	34,96,665	10	Bonus Issue (2:3)
December 15, 1997	3,335	10	Bonus Issue (2:3)
July 27, 2000	58,27,642	10	Bonus Issue (2:3)
November 9, 2000	5,691	10	Bonus Issue (2:3)

- c. 14,94,900 equity shares of Rs. 10/- each were allotted to LKP Merchant, pursuant to the scheme of amalgamation of LKP Forex with our Company.

#### 5. Promoters' Contribution and Lock-in

The present Issue being a Rights Issue, provisions of Promoters' contribution and lock-in are not applicable as per Clause 4.10.1 (c) of SEBI (DIP) Guidelines. None of the shares held by the Promoters are under lock-in. However, it may be noted that 1,40,00,000 equity shares our Company are subject to lock in till May 31, 2010. Please refer to page 106 of this Letter of Offer for details.

#### 6. Present Rights Issue

Type of Instrument	Ratio	Face Value (Re.)	No. of shares	Issue Price (Rs.)	Consideration
Equity Shares	35:100	1	5,62,78,554	35.50	Cash



7. Shareholding Pattern before and after the Issue is as under:

Category	Pre – Issue		After the Present Issue <sup>\$</sup>	
	Total Number of shares	Shareholding as a percentage of total number of shares	Total Number of shares	Shareholding as a percentage of total number of shares
<b>(A) Shareholding of Promoter and Promoter Group</b>				
<b>Foreign</b>				
TCIM Limited	8,75,00,000	54.42	11,81,25,000	54.42
Thomas Cook UK Limited	3,29,25,965	20.48	4,44,50,052	20.48
<b>Sub Total</b>	<b>12,04,25,965</b>	<b>74.89</b>	<b>16,25,75,052</b>	<b>74.89</b>
<b>Total shareholding of Promoter and Promoter Group (A)</b>	<b>12,04,25,965</b>	<b>74.89</b>	<b>16,25,75,052</b>	<b>74.89</b>
<b>(B) Public Shareholding</b>				
<b>(1) Institutions</b>				
Mutual Funds / UTI	29,46,033	1.83	39,77,145	1.83
Financial Institutions / Banks	14,840	0.01	20,034	0.01
Insurance Companies	3,54,475	0.22	4,78,541	0.22
Foreign Institutional Investors	2,52,182	0.13	3,40,446	0.13
Foreign Bodies	95,80,010	5.96	1,29,33,014	5.96
<b>Sub Total (B) (1)</b>	<b>1,31,47,540</b>	<b>8.18</b>	<b>1,77,49,179</b>	<b>8.18</b>
<b>(2) Non-Institutions</b>				
Bodies Corporate	47,46,474	2.95	64,07,740	2.95
<b>Individuals</b>				
Individual shareholders holding nominal share capital up to Rs. 1 lacs	2,16,18,644	13.44	2,91,85,169	13.44
Individual shareholders holding nominal share capital in excess of Rs. 1 lacs	8,55,947	0.53	11,55,528	0.53
Trusts	1,300	0.00	1,755	0.00
<b>Sub Total (B) (2)</b>	<b>2,72,22,365</b>	<b>16.93</b>	<b>3,67,50,193</b>	<b>16.93</b>
<b>Total Public shareholding (B) = (B) (1) + (B) (2)</b>	<b>4,03,56,365</b>	<b>25.11</b>	<b>5,44,99,372</b>	<b>25.11</b>
<b>Total (A)+(B)</b>	<b>16,07,95,870</b>	<b>100.00</b>	<b>21,70,74,424</b>	<b>100.00</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>	-	-	-	-
<b>Total (A)+(B)+(C)</b>	<b>16,07,95,870</b>	<b>100.00</b>	<b>21,70,74,424</b>	<b>100.00</b>

\$ Assuming the shareholding pattern remains the same as on the Record Date and all the shareholders apply for their entitlement and are allotted Equity Shares in full.

The Promoters of our Company have confirmed that they would subscribe to the full extent of their entitlement in the Issue. Further, TCUK, one of our Promoters have confirmed that it will also subscribe to the unsubscribed portion, if any, in this Rights Issue such that to ensure a minimum subscription of 90% of the Issue, as per the relevant provisions of the law. As a result of the said subscription and consequent allotment, TCUK may acquire Equity Shares over and above its entitlement in the Issue, which may result in an increase of the shareholding above the current shareholding. This subscription to entitlement by our Promoters and acquisition of additional Equity Shares by TCUK, if any, will not result in change of control of the management of our Company and shall be exempt, from the requirements of making a public offer, in terms of proviso to Regulation 3(1)(b)(ii) of the SEBI Takeover Regulations.

As such, other than meeting the requirements indicated in the section on “Objects of the Issue” on page 31 of this Letter of Offer, there is no other intention/purpose for this Issue, including any intention to delist our



Company, even if, as a result of allotments to our Promoters, in this Issue, our Promoters' shareholding in our Company exceeds their current shareholding. TCUK intend to subscribe to such unsubscribed portion as per the relevant provisions of the law. Allotment to TCUK of any unsubscribed portion, over and above their entitlement shall be done in compliance with the Listing Agreement and other applicable laws prevailing at that time relating to continuous listing requirements.

8. Details of the shareholding of the Promoters, directors of the Promoter companies in our Company as on the date of filing of this Letter of Offer with SEBI is as follows:

Name of entities	Number of Equity Shares	Percentage of shareholding
<b>Promoters</b>		
TCIM Limited	8,75,00,000	54.42
Thomas Cook UK Limited	3,29,25,965	20.48
<b>Directors of the Promoters</b>	Nil	Nil
<b>Total Shareholding of Promoters</b>	<b>12,04,25,965</b>	<b>74.89</b>

9. Details of build-up of the shareholding of the Promoters

#### TCIM Limited

Date of allotment /acquisition/transfer	Number of Equity Shares	Face Value (in Rs.)	Issue / Acquisition Price per share (in Rs)	Consideration	Reasons for Allotment	Cumulative shareholding
December 19, 2005*	87,50,000	10	462	Cash	Acquired from TCOL, by way of a SPA dated December 19, 2005.	87,50,000
Sub – division of face value from Rs. 10/- per equity share to Re.1/- per equity share on May 21, 2007 pursuant to the resolution passed by the shareholders by way of Postal Ballot on April 28, 2007						
<b>Total</b>	<b>8,75,00,000</b>					

\* Pursuant to the SPA dated December 19, 2005, 87,50,000 equity shares of our Company of Rs. 10 each were sold by TCOL to TCIM Limited for GBP 49,921,274. The implied price of acquisition is Rs. 462 per equity share of Rs. 10 each (GBP conversion rate assumed under the SPA is 1 GBP = Rs. 80.9775)

#### Thomas Cook UK Limited

Date of allotment /acquisition/transfer	Number of Equity Shares	Face Value (in Rs.)	Issue / Acquisition Price per share (in Rs)	Consideration	Reasons for Allotment	Cumulative shareholding
June 20, 2008	22,54,600	1	107	Cash	Acquired pursuant to an SPA dated March 7, 2008	22,54,600
July 8, 2008	1,65,14,235	1	107	Cash	Purchase (Equity shares tendered under Open Offer)	1,87,68,835
July 16, 2008	1,40,00,000	1	107	Cash	Purchase (Locked in equity shares tendered under Open Offer)	3,27,68,835
July 17, 2008	1,57,300	1	107	Cash	Purchase (Physical equity shares acquired under Open Offer)	3,29,25,965
<b>Total</b>	<b>3,29,25,965</b>					





10. The total number of shareholders in our Company as on December 19, 2008 was 23,728.

11. Except as stated below, there have been no transactions in our Company's Equity Shares that has been undertaken / financed directly or indirectly by the Promoters/Promoter Group, directors of our Company and directors of the Promoters during a period of six months preceding the date of filing of this Letter of Offer with SEBI:

Name of the Promoter	Transaction	Date of Transaction	No. of Equity Shares	% of Equity Capital	Price per Equity Share (in Rs.)
Thomas Cook UK Limited	Acquired pursuant to an SPA dated March 7, 2008	June 20, 2008	22,54,600	1.40	107
	Purchase (Freely tradable equity shares Tendered under Open Offer)	July 8, 2008	1,65,14,235	10.27	107
	Purchase (Locked in equity shares tendered under Open Offer)	July 16, 2008	1,40,00,000	8.71	107
	Purchase (Physical equity shares acquired under Open Offer)	July 17, 2008	1,57,300	0.10	107

Apart from the above mentioned shares, TCUK also acquired controlling interest in our Company by acquiring 100% shareholding of TCIM, through SPA dated March 8, 2008.

12. Except as stated below and stock options under the ESOP Scheme, our Company has not issued any warrant, option, convertible loan, debenture or any other securities convertible at a later date into equity, which would entitle the holders to acquire further Equity Shares of our Company:

Particulars	Amount (in Rs.)	Last Date of Conversion / Redemption ^
319,765 Class B 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each	3,197,650	December 31, 2013
271,800 Class C 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each	2,718,000	December 31, 2013

^ For further details as regards last date for conversion / redemption please refer to page 106 of this Letter of Offer.

**13. Name of the top ten shareholders:**

a) The ten largest shareholders of our Company as on December 19, 2008 is as follows:

Sr. No.	Name of the shareholder	No. of shares	%
1	TCIM Ltd	8,75,00,000	54.42
2	Thomas Cook UK Limited	3,29,25,965	20.48
3	Dubai Financial LLC	95,80,010	5.96
4	Hotel Hans Pvt. Ltd.	26,56,770	1.65
5	UTI Master Value Fund	22,84,633	1.42
6	L K P Merchant Financing Ltd	9,49,000	0.59
7	UTI - India Lifestyle Fund	3,85,000	0.24
8	The Oriental Insurance Company Limited	3,54,475	0.22
9	Neeraj Batra	3,00,317	0.19
10	UTI-Mid Cap Fund	2,70,000	0.17



b) The ten largest shareholders of our Company as on December 5, 2008 is as follows

Sr. No.	Name of the shareholder	No. of shares	%
1	TCIM Ltd	8,75,00,000	54.42
2	Thomas Cook UK Limited	3,29,25,965	20.48
3	Dubai Financial Llc	95,80,010	5.96
4	Hotel Hans Pvt. Ltd.	26,56,770	1.65
5	UTI Master Value Fund	23,84,633	1.48
6	L K P Merchant Financing Ltd	9,49,000	0.59
7	UTI - India Lifestyle Fund	3,85,000	0.24
8	The Oriental Insurance Company Limited	3,54,475	0.22
9	Neeraj Batra	3,00,317	0.19
10	UTI-Mid Cap Fund	3,00,000	0.19

c) The ten largest shareholders as on December 15, 2006 are as follows:

Sr. No.	Name of the shareholder	No. of shares	%*
1	TCIM Ltd	87,50,000	60.00
2	State Bank of India, (Equity)	12,09,654	8.29
3	Dubai Financial Llc	11,83,461	8.12
4	UTI Master Value Fund	3,47,879	2.39
5	Hotel Hans Private Limited	2,69,177	1.85
6	UTI-Mid Cap Fund	51,530	0.35
7	Tata Trustee Co. Pvt Ltd A/C Tata Mutual Fund- Tata Contra Fund	36,735	0.25
8	Pushpa Vadera	16,682	0.11
9	Dexia Equities L A/C Dexia Equities L - Asiapremier	14,000	0.10
10	Prabhavati Rasiklal Ashra	10,416	0.07

\* with reference to the then total equity share capital.

14. There are no natural persons in control (holding 10% or more voting rights) of any body corporate forming part of our Promoter Group. The Board of Directors of Sandbrook UK Investments Limited (one of our Promoter Group company) are Christopher James Gadsby and Thomas Cook Group Management Services Limited. The principal activity of Sandbrook UK Investments Limited is to act as a holding company. For details of the names of the persons on the Board of Directors of the body corporates forming part of our Promoters and Group Companies, please refer to page 142 and 206 of this Letter of Offer respectively.
15. The Equity Shares held by our Company's Promoters are not pledged to any party as on the date of this Letter of Offer.
16. Except as mentioned in this Letter of Offer, there is no 'buyback', 'standby' or similar arrangement for the purchase of securities offered through this Letter of Offer by our Company, its Promoters, Directors and the Lead Manager.
17. The Equity Shares of our Company are of face value of Re.1/- and marketable lot is 1 (one) Equity Share. At any given time there shall be only one denomination for the Equity Shares of our Company and our Company shall adhere to the disclosure and accounting norms specified by SEBI from time to time for this purpose.



## 18. Thomas Cook Employees Stock Option Plan 2007:

Shareholders of our Company, pursuant to a special resolution passed through postal ballot on March 20, 2007, have approved introduction and implementation of Thomas Cook Employees Stock Option Plan 2007 for the benefit of the present and future permanent employees of our Company, our subsidiaries, whether working in India or out of India and the Directors (including whole-time Directors) of our Company and our subsidiaries. Our Company has approved options for equity shares not exceeding 1,08,00,000 equity shares of Re. 1/- each in aggregate and 20,00,000 equity shares of Re. 1/- each per eligible employee.

Subsequently, the Recruitment & Remuneration Committee of the Board of Directors of our Company on July 25, 2007 approved granting options under Thomas Cook Employees Stock Option Plan 2007 covering 12,46,875 (Twelve lakh forty six thousand eight hundred seventy five) Equity Shares of Re. 1/- each.

### Purpose of Employee Stock Option Plan

To motivate talent in the organisation with the view to achieve long term business goals, to retain key talent in the organisation, to foster ownership and financial motivation.

### Details of ESOP Scheme are as follows:

Particulars	Details					
	Date of grant	Number of options granted	Exercise price / equity share	Date of grant	Number of options granted	Exercise price / equity share
Total number of options granted*	July 25, 2007	12,46,875	61.89	July 10, 2008	19,55,750	77.62
Total options vested (includes options exercised)	3,57,540 options were vested on July 25, 2008 1/3 of the valid options vest every year, i.e. on July 25, 2008, July 25, 2009 and July 25, 2010			1/3 of the valid options vest every year, i.e. on July 10, 2009, July 10, 2010 and July 10, 2011		
Options exercised	13,540			Nil		
Total number of Equity Shares arising as a result of exercise of options	13,540			Nil		
Options lapsed	95,250			Nil		
Total number of Equity Shares assuming full exercise of valid vested options	10,72,625			Nil		
Variations in terms of options	The ESOP Scheme 2007 was amended vide Postal Ballot Notice dated August 21, 2007 and approved on October 12, 2007, for the purposes of recovering the Fringe Benefit Tax (FBT) from the employees and varying certain terms in the ESOP Scheme 2007					
Money realised by exercise of options	Rs. 8,37,990.60 (excluding Fringe Benefit Tax)			N.A.		
Options outstanding (in force) <b>Note:</b> Of the 1,167,875 options granted, 1,104,125 were accepted. Of the vested options, 13,540 have been exercised	11,54,335			19,55,750		

Particulars	Details					
	Date of grant	Number of options granted	Exercise price / equity share	Date of grant	Number of options granted	Exercise price / equity share
Person wise details of options granted to						
i) Directors and key managerial employees	As mentioned below **			As mentioned below **		
ii) Any other employee who received in any one year of grant of options amounting to 5% or more of the total options granted during the year	None			None		
iii) Identified employees who are 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 grant	None			None		
Fully diluted EPS on a pre-Issue basis calculated in accordance with Accounting Standard 20 issued by ICAI for the year ended December 31, 2007	Rs. 1.71 per equity share			N.A.		
Method of calculation of employee compensation cost	Intrinsic Value Method			Intrinsic Value Method		
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	78,62,309 Reported Profits – 33,41,09,261 Adjusted Profits – 32,62,46,952 Reported Basic EPS – Rs. 1.76 per share Adjusted Basic EPS – Rs. 1.72 per share Reported Diluted EPS – 1.76 Adjusted Diluted EPS - 1.71			N.A.		
The impact of difference on profits and EPS of the Company for the year ended December 31, 2007 had fair value						

Particulars	Details					
	Date of grant	Number of options granted	Exercise price / equity share	Date of grant	Number of options granted	Exercise price / equity share
Options had been used for accounting Employee Options						

\*As per the provisions of the ESOP Scheme, in the event of rights issue of Equity Shares, an option holder would not be eligible for the bonus or rights shares but an adjustment to the number of options or the exercise price or both, would be made as decided by the Remuneration Committee.

\*\*Except as given below none of our Directors and Key Managerial Personnel have been granted options under ESOP Scheme:

Names of our Director and Key Managerial Personnel	No. of Options Granted on July 25, 2007	No. of Options accepted	No. of Options Exercised	No. of Options Granted on July 10, 2008	No. of Options accepted	No. of Options Outstanding
Mr. Madhavan Menon	2,05,000	2,05,000	NIL	2,50,500	2,50,500	4,55,500
Mr. Vinayak K Purohit	1,62,500	1,62,500	NIL	1,85,000	1,85,000	3,47,500
Ms. Nalini Gupta	1,50,000	1,50,000	NIL	1,85,000	1,85,000	3,35,000
Mr. Gautam Sharma	1,08,750	1,08,750	NIL	NIL	NIL	1,08,750
Mr. Parag Mehta	1,08,750	1,08,750	NIL	1,00,000	1,00,000	2,08,750
Mr. Rambhau Kenkare	63,750	NIL	N.A.	1,00,000	NIL	NIL
Mr. Amitabh Pandey	63,750	63,750	NIL	86,000	86,000	1,49,750
Dr. D. Prasanth Nair	56,750	56,750	NIL	86,000	86,000	1,42,750
<b>Total</b>	<b>9,19,250</b>	<b>8,55,500</b>	<b>NIL</b>	<b>9,92,500</b>	<b>8,92,500</b>	<b>17,48,000</b>

### Vesting of Options

Subject to the provisions of the Plan and the SEBI ESOP Guidelines, the options granted under the Plan shall vest in accordance with the following schedule:

- 1/3rd of the total options granted shall vest on the first anniversary of the grant date;
- further 1/3rd of the total options granted shall vest on the second anniversary of the grant date;
- balance 1/3rd of the total options granted shall vest on the third anniversary of the grant date;

Grant date means the date on which the Options are granted to an eligible employee by the Company/ Committee under the Plan.

### Exercise Price

The exercise price of the vested options shall be higher of 95% of the market price as defined under the SEBI ESOP Guidelines (i.e. the latest available closing price, prior to the meeting of the board of directors in which options are granted, on that stock exchange where there is highest trading volume on the said date) or the face value of the share. The exercise price shall be paid to our Company in cash upon exercise of the vested options. The details of grants are as follows:

Particulars	Grant I	Grant II
Grant date	July 25, 2007	July 10, 2008
Closing market price on NSE* on previous day	65.15 (July 24, 2007)	81.70 (July 9, 2008)
Exercise price (95% of the closing market price)	61.89	77.62

\* Since the trading volume on NSE was more on that day, closing price of NSE was considered.



### **Exercise Period and process of Exercise**

Subject to the terms of the Plan and the SEBI ESOP Guidelines, the option holder will have a period of 10 years from the date on which the Options are granted, within which the vested options can be exercised.

### **Maximum number of Options in aggregate and per employee**

Subject to making adjustments for any bonus issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company, the maximum number of shares that may be issued pursuant to exercise of Options granted to all employees under this Plan shall not exceed 1,08,00,000 Shares of Re. 1/- each of the Company. The Company reserves the right to increase or reduce such number of Shares as it deems fit. The maximum number of shares that may be issued pursuant to exercise of Options to each employee shall not exceed 20,00,000 Shares of Re. 1/- each.

As on the date of filing this Letter of Offer with SEBI, our Company has issued 13,540 Equity Shares under any scheme of employee's stock option or employee's stock purchase.

The options issued to our employees and our Directors under our ESOP Scheme are in compliance with the SEBI ESOP Guidelines.

19. Our Company has not availed of "bridge loans" to be repaid from the proceeds of the Issue.
20. Our Company has not revalued its assets in the last five years preceding the date of this Letter of Offer.
21. Our Company has not issued any shares out of the revaluation reserves at any point of time.
22. Except issue of Equity Shares arising on the exercise of options granted under our ESOP Scheme, no further issue of capital by way of issue of bonus shares, preferential allotment, rights issue or public issue or in any other manner which will affect the equity capital of our Company, shall be made during the period commencing from the filing of the Draft Letter of Offer with SEBI and the date on which the Equity Shares issued under the Letter of Offer are listed or application moneys are refunded on account of the failure of the Issue. Further, our Company, presently, except issue of Equity Shares arising on the exercise of options granted under our ESOP Scheme and redemption of 1% Cumulative Non Convertible Redeemable Preference Shares, as disclosed under the section Objects of the Issue, does not have any proposal, intention, negotiation or consideration to alter the capital structure by way of split/ consolidation of the denomination of the shares/ issue of shares on a preferential basis or issue of bonus or rights or public issue of Equity Shares or any other securities within a period of six months from the date of opening of the present Issue. However, if business needs of our Company so require, our Company may alter the capital structure by way of split/ consolidation of the denomination of the shares/ issue of shares on a preferential basis or issue of bonus or rights or public issue of shares or any other securities, whether in India or abroad during the period of six months from the date of listing of the Equity Shares issued under this Letter of Offer or from the date the application moneys are refunded on account of failure of the Issue, after seeking and obtaining all the approvals which may be required for such alteration.
23. Our Company has no partly paid up Equity Shares and no calls in arrears. The entire Issue price of Rs. 35.50 per Equity Share is to be paid on application. Hence there will be no partly paid up shares arising out of this Issue.
24. Our Company, its Promoter(s), its directors or any of our Company's Promoter Group companies, group companies and companies in which the directors of our Company are associated as director(s) or Promoter(s) have not been prohibited from accessing the capital market under any order or direction passed by SEBI or any other regulatory authority.
25. As per Notification No. FEMA 20/2000-RB dated May 3, 2000 of the RBI, the RBI has given general permission to Indian companies to issue shares on rights basis to Non-Residents. Hence our Company does not need in-principle permission from RBI for issue of shares on rights basis to Non-Residents, on a repatriable basis.

By virtue of Circular No. 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognised as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, OCBs shall not be eligible to subscribe to the Equity Shares. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities. Thus, OCBs desiring to participate in this Issue must obtain prior approval from the RBI. On providing such approval to our Company at its registered office, the OCB shall receive the Letter of Offer and the CAF.

However, the right shares would be subject to the same conditions, including restrictions in regard to repatriability as are applicable to the original shares against which rights shares are issued. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of shares, payment of interest etc. to the NR Shareholders.

26. The Issue will remain open for 15 days. However, the Board will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.
27. The existing Equity Shares of our Company include 1,00,600 Equity Shares of Re.1/- each, ownership of which is disputed or they are otherwise the subject matter of litigation in various courts/forums/statutory bodies etc. for which final orders/instructions are awaited. The rights on such Equity Shares would be kept in abeyance, pending final disposal of the case(s)/dispute(s).
28. For Equity Shares being offered on rights basis under this Rights Issue, if the shareholding of any of the Equity Shareholders, as on the Record Date, is not in multiples of 20 (Twenty) Shares, then the fractional entitlement of such Shareholders shall be ignored. Those Equity Shareholders holding less than 3 (Three) Equity Shares and therefore entitled to zero Equity Shares under the Rights Issue shall be dispatched a CAF with zero entitlement. However, they cannot renunciate the same to third parties. CAF with zero entitlement will be non negotiable/non renunciable. Such Equity Shareholders are entitled to apply for additional Equity Shares. Equity Shareholders whose fractional entitlements are being ignored and those entitled to zero Equity Shares would be given preferential allotment of ONE additional share each if they apply for additional shares as per the Basis of Allotment mentioned on page 302 of this Letter of Offer.



## OBJECTS OF THE ISSUE

Our Company intends to use the proceeds of the present Rights Issue of 5,62,78,554 Equity Shares of Re.1/- each at Rs. 35.50 per Equity Share aggregating 19,978.89 lacs for meeting the following objectives:

- I. Redemption of 10,50,00,000 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- each at a premium of 10% p.a. along with redemption premium, preference dividend and dividend distribution tax
- II. Repayment of existing debt
- III. General Corporate Purposes
- IV. Meeting Issue Expenses

The details of the proceeds of the Issue are summarized below:

	Estimated Amount (Rs. in Lacs)
Gross proceeds of the Issue	19,978.89
Issue related expenses	236.10
Net Proceeds of the Issue	19,742.79

### Use of Net Proceeds of the Issue

The details of the utilization of the net Issue proceeds are as follows:

Sr. No	Particulars	Amount (Rs. in Lacs)
1	Redemption of 10,50,00,000 1% Cumulative Non Convertible Redeemable Preference Shares of Rs. 10/- each including redemption premium, preference dividend and dividend distribution tax	11,676.07
2	Repayment of existing debt	7,000.00
3	General Corporate Purposes	1,066.72
	<b>Total</b>	<b>19,742.79</b>

The main objects clause and objects incidental or ancillary to the main objects clause of the Memorandum of Association of our Company enable us to undertake the existing activities and the activities for which funds are being raised by us through this Issue. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. In case of any shortfall, our Company intends to meet the fund requirements from the internal accruals/borrowings. Any shortfall in the amount raised will be adjusted against general corporate purposes.

The stated objects of this Issue, are proposed to be entirely financed by the Issue proceeds. Thus we are in compliance with the clause 2.8 & 6.8.4.3 of the SEBI (DIP) Guidelines for firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the proposed Issue, as the same does not apply to us.



## Utilisation of Net Issue Proceeds

A detailed break up of utilization of Net Issue Proceeds is provided in the following paragraphs:

### I. Redemption of 10,50,00,000 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- each at a premium of 10% p.a. along with Preference Dividend and Dividend Distribution Tax

In terms of the order of the Hon'ble High Court of Bombay dated January 12, 2007, LKP Forex was amalgamated into our Company, pursuant to which LKP Merchant, promoter of LKP Forex was, *inter alia*, issued and allotted 10,32,84,000 Class A 4.65% Cumulative Non – Convertible Redeemable Preference Shares of Rs. 10/- each of our Company in the ratio of 38 (Thirty Eight) 4.65% Cumulative Non – Convertible Redeemable Preference Shares of our Company of Rs. 10/- each fully paid up for every 1 (One) equity share held by LKP Merchant of Rs. 10/- each fully paid up.

As per the scheme of amalgamation, 10,32,84,000 Class A 4.65% Cumulative Non – Convertible Redeemable Preference Shares of Rs. 10/- each amounting to Rs. 10,328 lacs were due for redemption by February 1, 2008. As per the Companies Act, the Preference Shares can only be redeemed out of proceeds of a fresh issue of capital or out of the free reserves of the Company by creating Capital Redemption Reserve, hence our Company issued fresh 10,50,00,000 1% CRPS of Rs. 10/- each amounting to Rs. 10,500 lacs to HSBC and HSCI.

The 10,50,00,000 1% CRPS are governed by the terms of the CRPS subscription agreement dated January 28, 2008 entered into between our Company with HSBC and HSCI. (For more details please refer to "Our history and main objects" on page 96 of this Draft Letter of Offer). The terms and conditions of the CRPS are given below:

Subscriber	HSBC	HSCI
Date of issue & allotment	January 29, 2008	January 29, 2008
Tenor of the CRPS	1 (one) year from the date of allotment	1 (one) year from the date of allotment
Aggregate Quantity (No. of CRPS)	3,00,00,000	7,50,00,000
Face value per CRPS	Rs. 10	Rs. 10
Subscription price Per CRPS	Rs. 10/- per CRPS amounting to an aggregate of Rs. 30,00,00,000/- (Rupees Thirty Crores only)	Rs. 10/- per CRPS amounting to an aggregate of Rs. 75,00,00,000/- (Rupees Seventy Five Crores only)
Dividend	1% per annum	1% per annum
Redemption premium	10% per annum	10% per annum
Computation methodology	Actual / 365	Actual / 365
Redemption date	January 29, 2009	January 29, 2009
Transferability	Freely Transferable (Listed on BSE and NSE)	Freely Transferable (Listed on BSE and NSE)

Accordingly, our Company proposes to redeem 10,50,00,000 1% CRPS of Rs. 10/- each amounting to Rs. 10,500 Lacs to the holders of such CRPS as on the date of redemption along with redemption premium of Rs.1,052.88 Lacs, preference dividend of Rs.105.29 Lacs and dividend distribution tax of Rs.17.90 Lacs, aggregating to Rs.11,676.07 Lacs through proceeds of this Issue.

### II. Repayment of existing debt

Currently we have term loans / working capital loans from various banks as detailed on page 78 of this Letter of Offer. Out of the proceeds of the issue, we propose to repay loans of Rs. 7,000 Lacs. As per the current schedule of repayment of loans as mentioned below, an amount of Rs. 4,000 Lacs and Rs.21,676 Lacs is due for repayment in 2008 and 2009 respectively. Our management plans to repay any combination of the below mentioned loans or the loans taken to repay / refinance any of the below mentioned loans (including interest and pre-payment penalty, if any) either in full or in part:

(Rs. In Lacs)

Name of the Bank/Lender	Amount Sanctioned	Amount Due in 2008	Amount Due in 2009	Due Date of Repayment	Rate of Int.	Security/ Key Terms	Purpose for which loan was obtained
State Bank of Indore	5,000	-	5,000	November 21, 2009	14.00% ( 0.50% above PLR)	Unsecured	General Corporate Purposes
State Bank of Indore	2,500	2,500	-	December 27, 2008	10.75% (2.75% below BPLR)	Unsecured	General Corporate Purposes
Nova Scotia Bank	2,000	-	2,000	March 21, 2009	12.35%	Unsecured	Working Capital
State Bank of India	5,000	-	2,094	February 25, 2009	10.98%	Unsecured	Working Capital
		-	2,082	February 27, 2009	11.21%	Unsecured	Working Capital
ABN AMRO	5,000	1,500	-	December 30, 2008	16.70%	Unsecured	General purpose
		-	3,500	January 5, 2009	18.00%	Unsecured	General purpose
IDBI Bank	5,000	-	5,000	December 1, 2009	14.00% (0.50% above PLR)	Unsecured	Meeting mismatch in cash flow
Allahabad Bank (Commercial Paper)	2,000	-	1,000	February 20, 2009	14.50%	Unsecured	General corporate purpose including working capital
		-	1,000	February 23, 2009	14.50%	Unsecured	
<b>Total</b>	<b>26,500</b>	<b>4,000</b>	<b>21,676</b>				

The specific loans that would be repaid are not yet identified and our Management would identify and use the proceeds in the best interest of our Company once we have access to the funds. In case of delay in the Issue proceeds, we would meet our debt obligations from internal accruals and / or fresh debts which would then be repaid out of the Issue proceeds.

M/s. Nilesh Gore & Co., Chartered Accountants have certified vide their certificate dated December 20, 2008, that the above loans were utilized as detailed below:

Name of the Bank/Lender	Outstanding loan amount (Rs. in Lacs)	Purpose for which loan was obtained	Utilization
State Bank of Indore	5,000	General Corporate Purposes	Part repayment of earlier loans from State Bank of India of Rs.125 crores
	2,500	General Corporate Purposes	Working Capital*
Nova Scotia Bank	2,000	Working Capital	Working Capital*
State Bank of India	2,094	Working Capital	Working Capital*
	2,082	Working Capital	Working Capital*
Allahabad Bank (Commercial Paper)	2,000	General corporate purpose including working capital	Working Capital*
ABN AMRO	5,000	General Corporate Purposes	Part repayment of earlier loans from State Bank of India of Rs.125 crores
IDBI Bank	5,000	Short term loans to meet cash flow mismatch	Part repayment of earlier loans from State Bank of India of Rs.125 crores and balance kept

Name of the Bank/Lender	Outstanding loan amount (Rs. in Lacs)	Purpose for which loan was obtained	Utilization
			in Fixed Deposit for repayment of other loans
<b>Total</b>	<b>25,676</b>		

\* The funds raised from State Bank of Indore (Rs. 2500 Lacs), Nova Scotia Bank, State Bank of India and Allahabad Bank (Commercial Paper) have been utilized towards our working capital requirements. Our business requires a significant amount of working capital. Our fund requirements for working capital mainly arise on two counts: buying & selling of foreign exchange and travel & related services. In many cases, significant amounts of our working capital are required to fund our branches to purchase foreign exchange from retails walk-in-customers, money changers and other authorised dealers. Our working capital requirements are also affected by the credit lines that we typically extend to our corporate clients in line with industry practice

### III. General Corporate Purposes

The application of issue proceeds for general corporate purposes would include but not be restricted to financing our expansion plans, improving the working capital, capital expenditure, investment in technology up-gradation, meeting exigencies etc. which our Company in the ordinary course of business may incur. Our Management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to use Rs. 1,066.72 lacs for general corporate purposes.

### IV. Issue expenses

The total expenses of the Issue are estimated to be approximately Rs. 236.10 lacs. The Issue related expenses include, among others, issue management fees, registrar fees, printing and distribution expenses, auditor fees, legal fees, advertisement expenses, stamp duty, depository charges and listing fees to the stock exchanges. The total expenses for the Issue are 1.18% of the Issue Size. The following table gives break-up of estimated Issue expenses:

Particulars	Estimated Expenses (Rs. In Lakhs)	% of the Issue Expenses	% of the Issue Size
Advisors Fees (Lead Manager, Auditor, Legal Counsel fees)	159.00	67.34%	0.80%
Advertisement Expenses	7.00	2.96%	0.04%
Printing, Postage and Stationery	15.00	6.35%	0.08%
Registrars Fees	7.50	3.18%	0.04%
Contingency, Stamp Duty Fee, Filing Fees, Listing Fees, etc.	47.60	20.16%	0.24%
<b>Total</b>	<b>236.10</b>	<b>100.00%</b>	<b>1.18%</b>

### Means of Finance

Particular	Amount (Rs in Lacs)
Rights Issue of 5,62,78,554 Equity Shares of Re. 1/- each at Rs. 35.50 per Equity Share	19,978.89
<b>Total</b>	<b>19,978.89</b>

### Appraisal

The fund requirements and deployment have not been appraised by any Bank or Financial Institution.

### Interim Use of Proceeds

In the event our Company receives at least the minimum subscription of 90% of the application money for the Issue, and pending utilization of Issue proceeds for the purposes set forth in this Letter of Offer, the management, in accordance with the policies set up by the Board, will have flexibility in deploying the proceeds received from



the Issue. During this period depending on options available, we may also consider temporarily investing the funds in interest/dividend bearing liquid instruments including money market mutual funds and deposits with banks for the necessary duration and / or to temporarily deposit the funds in Cash Credit accounts with banks for reducing overdraft and short-term loans, Gilt edged securities and other interest bearing securities. The funds will not be deployed in equity or in equity related instruments. Such investments would be at the prevailing commercial rates at the time of investment, in accordance with investment policies approved by the Board from time to time.

### **Monitoring of Utilization of funds**

The Board of Directors / Audit Committee of our Company will monitor the utilization of the proceeds of the Issue. The Company has not appointed any monitoring agency. The Company will disclose the utilization of proceeds of the Issue under a separate head in its balance sheet for FY 2009 and in its balance sheet for such fiscal periods as required under the SEBI (DIP) Guidelines, the Listing Agreement with the stock exchanges and any other applicable law or regulations, clearly specifying the purpose for which net proceeds of the Issue have been utilized. The Company, in its balance sheet for FY 2009, will provide details, if any, in relation to all such net proceeds of the Issue that have not been utilized, thereby also indicating investments, if any, of such unutilized net proceeds of the Issue.

Pursuant to clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the net proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Letter of Offer and place it before the Audit Committee. Such disclosure shall be made only until such time that all the net proceeds of the Issue have been utilized in full. The statement shall be certified by the statutory auditors of our Company. In terms of clause 43A of the Listing Agreement, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this Letter of Offer. Further, this information shall be furnished to the stock exchanges along with the interim or annual financial results submitted under clause 41 of the Listing Agreement and shall be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of clause 49 of the Listing Agreement.

Except as stated above, no part of the Rights Issue proceeds, will be paid by the Company, as consideration to Promoters, Directors, Company's key managerial personnel's or companies promoted by the Promoters.



## BASIC TERMS OF THE ISSUE

### EQUITY SHARES

<b>Face Value</b>	Each Equity Share has the face value of Re. 1/-.
<b>Issue Price</b>	Each Equity Share is being offered at a price of Rs. 35.50 per share (including a premium of Rs. 34.50 per share).
<b>No. of Equity Shares offered</b>	5,62,78,554 Equity Shares of Re. 1/- each
<b>Rights Entitlement Ratio</b>	The Equity Shares are being offered on rights basis to the existing Equity Shareholders of the Company in the ratio of 35 Equity Shares for every 100 Equity Shares held as on the Record Date.
<b>Record Date</b>	December 27, 2008
<b>Market Lot</b>	The market lot for Equity Shares in dematerialised mode is 1 (one). In case of holding of Equity Shares in physical form, our Company would issue to the allottees one (1) certificate for the Equity Shares allotted to one (1) folio ("Consolidated Certificate").
<b>Terms of Payment</b>	100% of the Issue Price i.e Rs. 35.50 per Equity Share (Re. 1/- face value + Rs. 34.50 share premium) is payable on Application.
<b>Fractional Entitlements</b>	For Equity Shares being offered on rights basis under this Rights Issue, if the shareholding of any of the Equity Shareholders is not in multiples of 20 (Twenty) Shares, then the fractional entitlement of such Shareholders shall be ignored. Those Equity Shareholders, as on the Record Date, holding less than 3 (Three) Equity Shares and therefore entitled to zero Equity Shares under the Rights Issue shall be dispatched a CAF with zero entitlement. However, they cannot renunciate the same to third parties. CAF with zero entitlement will be non negotiable/non renunciable. Such Equity Shareholders are entitled to apply for additional Equity Shares. Equity Shareholders whose fractional entitlements are being ignored and those entitled to zero Equity Shares would be given preferential allotment of ONE additional share each if they apply for additional shares as per the Basis of Allotment mentioned on page 302 of this Letter of Offer.
<b>Ranking of Equity Shares</b>	The Equity Shares allotted pursuant to this Issue shall be subject to the Memorandum and Articles of Association of our Company and the Companies Act, 1956 and shall rank <i>pari passu</i> with the existing Equity Shares in all respects including dividend.

For more details please refer to “Section VII – Issue Related Information” beginning on page 284 of this Letter of Offer.



## BASIS OF ISSUE PRICE

**Investors should read the following summary along with the sections titled “Risk Factors”, “Our Business Overview” and “Financial Statements” included in this Letter of Offer to get a more informed view before making the investment decision.**

### Qualitative Factors:

1. We are a fully integrated, established travel agency in India for providing services such as consumer retail travel, travel management, travel related foreign exchange and payment solutions, travel related insurance, credit cards as well as a general sales agency business.
2. We are one of the few non-banking companies to have been granted an Authorized Dealer license (Category II) by the RBI.
3. Our Company enjoys a dominant position in the domestic forex business with a market share of about 50%.  
(Source: CRISIL credit rating report, June 2008)
4. With the acquisition of TCI and LKP Forex, our Company has now grown from 72 offices in 20 cities to 160 locations in 55 cities which will provide our Company an opportunity to grow its inbound tourism and forex business further.

### Quantitative Factors:

#### (i) Earning per Equity Share (EPS)

Year	Weight	Standalone Annualised Diluted EPS (Rs.)	Consolidated Annualised Diluted EPS (Rs.)
Year ended October 31, 2005*	1	1.84	1.96
14 Months period ended December 31, 2006*^	2	2.00	1.87
Year ended December 31, 2007	3	1.23	2.34
<b>Weighted Average</b>		<b>1.59</b>	<b>2.12</b>

\* Adjusted on a face value Re. 1/- each

^ the EPS for the 14 month period ended December 31, 2006 was Rs.2.33 (standalone) and 2.18 (consolidated)

Standalone and Consolidated Diluted EPS for six months period ended June 30, 2008 was Rs. 1.06 and Rs. 1.30 respectively (on Face value of Re. 1/- each)

**Note:** Diluted earnings per share (Rs.) have been computed as:

$$\frac{\text{Net profit after tax, as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares outstanding during the year/ period}}$$

#### (ii) Price Earnings Ratio (P/E Ratio) pre-Issue in relation to Issue Price of Rs. 35.50

Based on the results of December 31, 2007 adjusted diluted EPS of Rs. 1.23 on standalone basis and Rs. 2.34 on consolidated basis on equity share of face value of Re.1/- each, the P/E ratio is 28.86 and 15.17 respectively.

Based on adjusted weighted average EPS of Rs. 1.59 for the past 3 years calculated on standalone basis and Rs. 2.12 on consolidated basis the P/E ratio is 22.33 and 16.75 respectively.

#### (iii) Industry P/E Details

The following table provides P/E data of companies which are operating in the travel agency industry segment which is one of the segments in which we are operating. Kindly note that since there are no identical listed comparables the information given below is of limited relevance. Further, there is only one listed company which can be considered comparable with our Company in terms of size in this segment.

Highest (Trade Wings)	38.4
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Lowest (International Travel House)	3.8
Industry Composite (Travel Agencies)	15.1

Source: Capital Market December 15 - 28, 2008 Volume XXIII / 21

**(iv) Return on Net Worth (RONW)**

Year	Weight	Standalone RONW %	Consolidated RONW %
Year ended October 31, 2005	1	16.44	17.10
14 Months period ended December 31, 2006	2	74.82	66.36
Year ended December 31, 2007	3	31.81	46.45
<b>Weighted Average</b>		<b>43.59</b>	<b>48.20</b>

Standalone and Consolidated RONW for six months period ended June 30, 2008 was 21.22% and 20.21% respectively.

**Note:** RONW has been computed by dividing Adjusted Profit after Tax and extraordinary items by Net Worth. The Weighted Average of Return on Net Worth (%) for these fiscal years have been computed by giving weights of 1, 2 and 3 for the year ended October 31, 2005, 14 months period ended December 31, 2006 and year ended December 31, 2007 respectively.

**(v) Minimum Return on Increased Net Worth required to maintain pre – Issue annualised diluted EPS as on December 31, 2007**

- On standalone basis	10.51%
- On consolidated basis	18.58%

Note: Net Worth means Equity Share Capital + Reserves and Surplus

**(vi) Net Asset Value (NAV) per Equity Share:**

a) NAV as on December 31, 2007 (standalone basis - on equity shares of face value Re. 1/- each)	Rs. 4.02
b) NAV as on December 31, 2007 (consolidated basis - on equity shares of face value Re. 1/- each)	Rs. 5.23
c) Issue Price	Rs. 35.50
d) NAV after the Issue	
- standalone basis	Rs. 12.18
- consolidated basis	Rs. 13.08

Standalone and Consolidated NAV (on equity shares of face value Re. 1/- each) for six months period ended June 30, 2008 was Rs.5.18 and Rs.6.64 respectively.

**Note:** Net asset value per share (Rs.) has been computed as:

$$\frac{\text{Net worth, as restated, at the end of the year/ period}}{\text{Number of equity shares outstanding at the end of the year/ period}}$$

Net Worth means Equity Share Capital + Reserves and Surplus.

**(vii) Comparison of key ratios with some of the comparable Companies in the same industry group**

Our Company is in the business of financial service and travel related services. At present there is no listed Company which is operating in all these segments. The following table provides peer comparison of the companies which are operating in the travel agency industry segment which is one of the segments in which we are operating. Kindly note that since there are no identical listed comparables the information given below is of limited relevance. Further, there is only one listed company which can be considered comparable with our Company in terms of size in this segment.



	Financial Year Ended	Net Asset Value per share (Rs) (on Equity Shares of face value Re. 1/- each)	RONW %	P/E <sup>^</sup>	Annualised Diluted EPS (Rs) (on Equity Shares of face value Re. 1/- each)
Thomas Cook India Limited – Standalone basis*	December 31, 2007	4.02	38.81	28.86	1.23
Thomas Cook India Limited – Consolidated basis*	December 31, 2007	5.23	46.45	15.17	2.34
<b>Peer Group</b>					
International Travel House Limited <sup>^</sup>	March 31, 2008	77.1	18.2	3.8	12.1

\* Except for P/E Multiple, figures for TCIL are based on recasted consolidated financial statements, for the year ended December 31, 2007.

<sup>^</sup> Source: Capital Market December 15 - 28, 2008 Volume XXIII / 21

#### Un-audited Working Results for the latest Period

Information as required by Government of India, Ministry of Finance Circular No. F2/5/SE/76 dated February 5, 1977 as amended vide Circular of even number dated March 8, 1977 and in accordance with clause 6.48 of the SEBI (DIP) Guidelines is given below:

Please refer to page 226 of this Letter of Offer.

#### Share Prices of Our Company

Week end prices of Equity Shares of our Company for the last four weeks on BSE and NSE along with the highest and lowest price are as below:

Week ended on	BSE			NSE		
	Closing Price	Highest Price	Lowest Price	Closing Price	Highest Price	Lowest Price
November 28, 2008	42.90	44.45	42.00	42.55	43.90	40.45
December 5, 2008	41.70	42.85	41.30	41.60	42.70	41.00
December 12, 2008	43.60	44.70	42.00	43.95	45.00	41.50
December 19, 2008	48.85	50.00	47.40	49.05	49.95	47.20

Source: [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com)

The Face Value of the shares is Re. 1/- per share and the Issue Price of Rs. 35.50 is 35.5 times the Face Value of the Equity Shares.

Closing ex-rights market price of Equity Shares of face value of Re.1/- of our Company as on December 19, 2008 on BSE was Rs. 48.85.

Based on the above mentioned qualitative, quantitative factors and market price of the Equity Shares of our Company, we and the Lead Manager to the Issue, are of the opinion that the Issue price of Rs. 35.50 per Equity Share is reasonable and justified.





## STATEMENT OF TAX BENEFITS

The Board of Directors  
Thomas Cook (India) Limited  
Thomas Cook Building  
Dr. Dadabhai Naoroji Road,  
Mumbai – 400 001

Dear Sirs,

### **SUB: STATEMENT OF TAX BENEFITS**

We hereby certify that the enclosed annexure states the tax benefits available to Thomas Cook (India) Limited (hereinafter referred to as the 'Company') and to the Shareholders of the Company under the provisions of the Income-tax Act, 1961 and other direct tax laws presently in force.

The contents of the annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

A shareholder is advised to consider in his/her/its own case, the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

Mumbai, December 19, 2008

Sharmila A. Karve  
Partner  
Membership No. 43229  
For and on behalf of  
Lovellock & Lewes  
Chartered Accountants

The following key tax benefits are available to the Company and the prospective shareholders under the current direct tax laws in India.

The tax benefits listed below are the possible benefits available under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill. This Statement is only intended to provide the tax benefits to the company & its shareholders in a general and summary manner and does not purport to be a complete analysis or listing of all the provisions or possible tax consequences and the changing tax laws, each investor is advised to consult his / her own tax adviser with respect to specific tax implications arising out of their participation in the issue.

## **1. Key Benefits available to the Company under the Income-tax Act, 1961 ('the Act')**

### **A] PERMISSIBLE DEDUCTIONS AGAINST BUSINESS INCOME:**

#### **i) Depreciation**

The Company is entitled to claim depreciation allowance at the prescribed rates on specified tangible and intangible assets owned by it and used for the purposes of its business under section 32 of the Act.

Unabsorbed depreciation if any, for an Assessment Year (AY) can be carried forward & set off against any source of income in subsequent AYs as per section 32 of the Act

#### **ii) Amalgamation Expenditure**

As per section 35DD of the Act, the Company is eligible for deduction in respect of expenditure wholly and exclusively for the purpose of amalgamation of an undertaking, of an amount equal to 1/5<sup>th</sup> of such expenses over 5 successive AYs subject to conditions and limits specified in that section.

#### **iii) Bad debts written off:**

As per section 36(1)(vii) of the Act benefit of any bad debt or part thereof which is written off as irrecoverable is available to the company.

### **B] CAPITAL GAINS:**

#### **i) Definitions**

##### **a) Long Term Capital Gain (LTCG)**

LTCG means capital gain arising from the transfer of a capital asset being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of section 10 or a zero coupon bond of the Act, held by an assessee for more than 12 months.

In respect of any other capital assets, LTCG means capital gain arising from the transfer of an asset, held by an assessee for more than 36 months.

##### **b) Short Term Capital Gain (STCG)**

STCG means gain arising out of transfer of capital asset being share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of section 10 or a zero coupon bond of the Act, held by an assessee for 12 months or less.

In respect of any other capital asset, STCG means capital gain arising from the transfer of capital asset, held by an assessee for 36 months or less.

**ii) Exemption of Capital Gain from Income tax**

LTCG arising on transfer of equity shares or units of an equity oriented fund (as defined) which has been set up under a scheme of a Mutual Fund specified under Section 10 (23D) of the Act, on a recognized stock exchange on or after October 1, 2004 are exempt from tax under section 10(38) of the Act provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.

**iii) Computation of Capital Gain**

As per second proviso to section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures excluding capital indexed bonds issued by Government, is to be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

- a. As per section 112 of the Act, LTCG is taxed @ 20% plus applicable surcharge thereon, education cess and secondary & higher education cess at applicable rate on tax plus Surcharge (if any) {hereinafter referred to as applicable SC + EC+SHEC}.

However as per proviso to section 112(1) of the Act, if such tax payable on transfer of listed securities / units / Zero coupon bonds exceeds 10% of the LTCG, without availing benefit of indexation, the excess tax will be ignored.

- b. As per section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined) under section 10(23D) of the Act, on a recognized stock exchange are subject to tax at the rate of 15% (plus applicable SC + EC+SHEC), provided the transaction is chargeable to STT.

**iv) Set off & Carry forward of Capital Loss**

As per section 71 read with section 74 of the Act, Short-term capital loss arising during a year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, should be carried forward and set-off against short-term as well as long-term capital gains for subsequent 8 years.

As per section 71 read with section 74 of the Act, Long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, should be carried forward and set-off against subsequent year's long-term capital gains for subsequent 8 years.

**v) Exemption under section 54EC of the Act, 1961**

Under section 54EC of the Act, capital gains arising on the transfer of a long-term capital asset other than clause (ii) above will be exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in any bond redeemable after 3 years (restricted to Rs. 50 Lacs per investor per year) and on or after the 1<sup>st</sup> day of April, 2007 issued by the following and subject to the conditions specified therein –

- National Highways Authority of India constituted under section 3 of National Highways Authority of India Act, 1988
- Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956

If only part of the capital gains is so reinvested, the exemption shall be proportionately reduced.

However, if the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable in the year of transfer.

**C] INCOME FROM HOUSE PROPERTY:**

Benefit of 30% of annual value is available to the company as per the provisions of section 24(a) of the Act.

**D] INCOME FROM OTHER SOURCES:**

**i) Dividends exempt under section 10(34) of the Act.**

Dividend (both interim and final) income, if any, received by the Company on its investment in shares of another Domestic Company shall be exempt from tax under section 10(34) read with section 115-O of the Act.

**ii) Dividends from units exempt under section 10(35) of the Act.**

Income received in respect of units of a Mutual Fund specified under section 10(23D) of the Act shall be exempt from tax under section 10(35) of the Act, subject to such income not arising from transfer of units in such Mutual Fund.

**E] SPECIAL TAX BENEFITS TO THE COMPANY:**

None

**2. Key Benefits available to the members of the Company**

**A] RESIDENT MEMBERS:**

**i) Dividend Income**

Dividend (both interim and final) income, if any, received by the resident shareholder from a Domestic Company is exempt from tax under section 10(34) read with section 115-O of the Act.

**ii) Capital Gains**

- a) The provisions of law outlined in Paragraph 1(B) would also be applicable to resident members where shares are held as investments. Additionally, the following benefits are also available to resident shareholders.
- b) As per section 54F of the Act, LTCG arising to individuals and HUFs from transfer of shares will be exempt from tax if net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

**iii) Shares held as stock-in-trade**

- a) Gains or losses arising on shares held as stock-in-trade would be chargeable under the head "Profits and Gains of Business or Profession".
- b) In terms of section 36(1)(xv) securities transaction tax paid in respect of taxable securities transactions entered into in the course of business during the year shall be deductible if the income arising from such taxable securities transactions is considered as business income.

**B] NON-RESIDENT MEMBERS:**

**i) Dividend Income**

Dividend (both interim and final) income, if any, received by the non-resident shareholders from a domestic company shall be exempt under section 10(34) read with section 115-O of the Act.

**ii) Capital Gains**

Benefits outlined in Paragraph 2(A)(ii) above are also available to a non-resident shareholder except that as per first proviso to section 48 of the Act, the capital gains arising on transfer of capital assets being shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to section 48 is not available to non-resident shareholders.

**iii) Shares held as stock-in-trade**

Benefits outlined in Paragraph 2(A) (iii) above are also applicable to the non-resident shareholder.

**iv) Tax Treaty Benefits**

As per section 90 of the Act, the shareholder can claim relief in respect of double taxation if any as per the provision of the applicable double tax avoidance agreements.

**v) Where shares have been subscribed to in convertible foreign exchange – Option of taxation under Chapter XII-A of the Act:**

Non-Resident Indians [as defined in section 115C(e) of the Act], being shareholders of an Indian Company, have the option of being governed by the provisions of Chapter XII-A of the Act, which inter alia entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange.

As per the provisions of section 115E of the Act, income [other than dividend which is exempt under Section 10(34)] from investments and LTCG from assets (other than specified asset) shall be taxable @ 20% (plus applicable SC + EC+SHEC). No deductions in respect of any expenditure allowance from such income will be allowed and no deductions under Chapter VI-A will be allowed from such income.

As per section 115E of the Act, LTCG arising from transfer of specified foreign exchange assets shall be taxable @ 10% (plus applicable SC + EC+SHEC).

“Specified asset” has been defined by section 115C of the Act, to mean shares in an Indian Company, debentures issued by an Indian Company which is not a Private Company, deposits with an Indian Company which is not a private Company, any security of the Central Government and such other assets as the Central Government may specify in this behalf by notification in the official Gazette.”

As per the provisions of section 115F of the Act and subject to the conditions specified therein, long-term capital gains arising to a non resident Indian from the transfer of any specified asset acquired or purchased with or subscribed to in convertible foreign exchange shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings

certificates referred to in section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

Further, if the specified asset or savings certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as LTCG in the year in which such specified asset or savings certificates are transferred.

As per the provisions of section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from investments or LTCG earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

Under section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for the year and subsequent assessment years until such assets are converted into money.

As per the provisions of section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

## **C] FOREIGN INSTITUTIONAL INVESTORS (FIIs):**

### **i) Dividend Income**

Dividend (both interim and final) income, if any, received by the shareholders from the domestic company shall be exempt under section 10(34) read with section 115-O of the Act.

### **ii) Capital Gains**

#### **Taxability of Capital Gains**

- a. Under section 115AD of the Act, income (other than income by way of dividends referred in Section 115-O) received in respect of securities (other than units referred to in Section 115AB) shall be taxable at the rate of 20% (plus applicable SC+EC+SHEC). No deduction shall be allowed under Section 28 to 44C or clause (i) or clause (iii) of Section 57 or under chapter VI-A if the gross total income of the foreign institutional investor consists of only the above income.
- b. Under section 115AD of the Act, capital gains arising from transfer of securities (other than units referred to in Section 115AB), shall be taxable as follows:
  - As per section 111A of the Act, STCG arising on transfer of securities where such transaction is chargeable to STT, shall be taxable at the rate of 15% (plus applicable SC+EC+SHEC). STCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 30% (plus applicable SC+EC+SHEC).
  - LTCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 10% (plus applicable SC+EC+SHEC). The benefit

of indexation of cost of acquisition, as mentioned under 1<sup>st</sup> and 2<sup>nd</sup> proviso to section 48 of the Act would not be allowed while computing the capital gains.

#### **Exemption of Capital Gains from income-tax**

- a) LTCG arising on transfer of securities where such transaction is chargeable to STT is exempt from tax under section 10(38) of the Act.
- b) Benefit of exemption under section 54EC shall be available as outlined in Paragraph 1(B) (v) above.

#### **iii) Shares held as stock-in-trade**

Benefits outlined in Paragraph 2(A) (iii) above are also applicable to the non-resident shareholder.

#### **iv) Tax Treaty Benefits**

As per section 90 of the Act, FIIs can claim relief in respect of double taxation, if any, as per the provision of the applicable double tax avoidance agreements.

### **D] KEY BENEFITS AVAILABLE TO MUTUAL FUNDS:**

As per the provisions of section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India, would be exempt from income tax, subject to the prescribed conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

### **E] SPECIAL TAX BENEFITS TO THE MEMBERS OF THE COMPANY:**

None

### **3. Wealth-tax Act, 1957 and Gift-tax Act, 1958**

- i) 'Asset' as defined under section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, the shares of the Company held by a shareholder are not liable to wealth-tax.
- ii) Gift tax is not leviable in respect of any gifts made on or after 1<sup>st</sup> October, 1998 and in respect of non-monetary gifts made on or after 1<sup>st</sup> September, 2004. Therefore, any gift of shares of the Company will not attract Gift-tax.

#### **Notes:**

- a) All the above benefits are as per the current tax law and will be available only to the sole/ first named holder in case the shares are held by joint holders.
- b) In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- c) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.
- d) The above statement of possible direct tax benefits set out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

## SECTION IV: ABOUT US

### INDUSTRY OVERVIEW

#### Worldwide Travel and Tourism Industry

Since 2004, the annual increase in travel & tourism economy GDP has averaged 4% in real terms – faster than that of the global economy overall. And in the same period, travel & tourism has created more than 34 million jobs. Although growth is expected to slow in 2008, in line with the recent deterioration in the economic environment in developed economies, led by the USA, WTTC forecasts are still positive pointing to a 3% increase in Travel & Tourism Economy GDP and 6 million additional Travel & Tourism Economy jobs worldwide.

World travel & tourism is expected to contribute nearly US \$5,890 billion to global GDP in 2008 (equivalent to 9.9% of total GDP), rising to approximately US\$10,855 billion over the next ten years. The current global economic downturn is expected to have a moderate impact on Travel & Tourism Demand in 2008, with the annual growth rate experiencing a slight slowdown to 3.0%, as against 3.9% in 2007. Looking past this present cyclical downturn, the long-term forecasts point to a mature but steady phase of growth for world Travel & Tourism between 2009 and 2018, with growth averaging 4.4% per annum over the period, supporting 297 million jobs and 10.5% of global GDP by 2018.

In terms of regional performance, Africa, Asia Pacific and the Middle East are experiencing higher growth rates than the world average, in terms of total Travel & Tourism Demand, at 5.9%, 5.7% and 5.2% respectively, while the mature markets – most notably the Americas and Europe – are falling below the world average with growth of 2.1% and 2.3% respectively.

*Source: World Travel & Tourism Council (WTTC); Progress and Priorities, 2008 – 2009*

#### Economies to Watch:

Over the next ten years, emerging tourism markets are expected to start reaping greater benefits from their investment in Travel & Tourism development. While USA, China, Japan and Germany are expected to retain their current top four slots in terms of total Travel & Tourism Demand (in absolute terms), India is expected to be amongst the leaders in terms of annual growth in Travel & Tourism Demand between 2008 and 2018, averaging 9.4% per annum – ahead of China, Libya, Vietnam and Montenegro. As far as Travel & Tourism Employment is concerned, China, India and the USA head the 2008 ranking, in terms of total numbers of employed in the wider Travel & Tourism Economy.

ON A RELATIVE SCALE: Countries expected to grow their Travel & Tourism Demand most rapidly between 2007 and 2017 are:		ON AN ABSOLUTE SCALE: Countries expected to generate the largest volume of Travel & Tourism Demand in 2017:		ON AN EMPLOYMENT SCALE: Countries expected to generate the largest amount (absolute terms) of Travel & Tourism Economy Employment in 2017:	
Travel & Tourism Demand 2007 - 2017 % Annualized Real Growth		Travel & Tourism Demand 2007 - 2017 (US\$ mn)		Travel & Tourism Economy Employment 2017 (‘000 of Jobs)	
1 China	9.1	1 United States	3,067,977.0	1 China	75,710.2
2 Montenegro	8.6	2 China	1,571,015.0	2 India	28,322
3 India	7.9	3 Japan	981,437.6	3 United States	16,125.9
4 Croatia	7.8	4 Germany	744,910.7	4 Japan	9,422.7
5 Dem Rep of the Congo	7.8	5 United Kingdom	605,124.6	5 Brazil	7,773.2
6 Vietnam	7.5	6 France	542,658.2	6 Indonesia	6,853.9
7 Romania	7.4	7 Spain	503,957.5	7 Mexico	5,469.2
8 Namibia	7.1	8 Italy	395,970.7	8 Germany	4,962.8
9 Hong Kong	7.0	9 Russian Federation	324,352.7	9 Spain	4,858.5
10 Chad	7.0	10 Canada	311,412.6	10 Thailand	4,766.9

*Source: World Travel & Tourism Council (WTTC); Progress and Priorities, 2007 – 2008*



## Asia Pacific:

Total Travel & Tourism Demand in Asia Pacific is forecast to grow by 5.7% in 2008 – second only, in terms of regional growth, to Africa, and nearly twice the world average growth. In terms of contribution to GDP, the Travel & Tourism Economy is expected to account for 5.5% region-wide – 7.2% in South Asia, 5.7% in Northeast Asia and 4.1% in Southeast Asia. Northeast Asia's dominance is in no small part attributable to China, the world's star performer in terms of Travel & Tourism growth over recent years, and now ranked second in the world in both growth and absolute size of its Travel & Tourism economy. India is also becoming an increasingly important player in the global tourism economy, climbing to fourth place in the contribution of its Travel & Tourism Economy to total GDP growth over the next ten years, with annual growth forecast of 7.6%.

*Source: World Travel & Tourism Council (WTTC); Progress and Priorities, 2008 – 2009*

## India Travel and Tourism Industry

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

Tourism in India has registered significant growth in the recent years. In 1951, international tourist arrivals stood at around 17,000 which has gone up to 4.45 million in 2006 and 5 mn in 2007. Indian tourism is one of the most diverse products on the global tourism scene. India has 26 world heritage sites. It is divided into 25 bio-geographic zones and has wide ranging eco tourism products. Apart from this, India has a 6,000 km coastline and dozens of beaches. India's great ethnic diversity translates into a wide variety of cuisine and culture. India also has a large number of villages, plantations and adventure locations. India is home to a great variety of wildlife and its wildlife reserves are well known throughout the world. It also has one of the world's biggest railway systems opening possibilities for those interested in rail tourism. India also has excellent hospitals offering affordable medicare and traditional healthcare systems like Ayurveda.

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

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

## Contribution of Travel & Tourism in GDP & Employment in 2007

	India (%) 2007	World average % during 2007	World Average % estimated in 2017
Contribution of Tourism and Travel Economy to GDP	5.4	10.4	10.7
Contribution of Tourism and Travel Industry to GDP	2.0	3.6	3.4
Contribution of Travel and Tourism Economy Employment	5.5	8.3	8.3
Contribution of Travel and Tourism Industry Employment	2.3	2.7	2.8

*Source: WTTC, Department of Tourism, Government of India, 11<sup>th</sup> Five year Plan 2007 – 2012*

## Capital Investment

During 11th Five Year Plan (2007-2012) Ministry of Tourism propose to continue supporting creation of world class infrastructure in the country so that existing tourism products can be further improved and expanded to meet new market requirements and enhance the competitiveness of India as a tourist destination. In consultation with the State Governments and Union Territories the Ministry of Tourism have identified several tourist circuits and destinations for integrated development.

The 11th Five Year Plan 2007-12, set up by the Planning Commission has proposed an total outlay of Rs. 5156 Crores (at current price) as against Rs. 2900 Crores allocated in 10<sup>th</sup> Plan (2002-2007). This is around 78% more than the sum allocated during the 10<sup>th</sup> Five Year Plan, showing the government's commitment to boost tourism.

*Source: 11<sup>th</sup> Five year plan (2007- 12)- Planning Commission Government of India*

### India Estimates and Forecasts

India	2007			2017		
	INR bn	% of Total	Growth	INR bn	% of Total	Growth
Personal Travel and Tourism	1016.10	4.00	8.20	3385.70	4.10	7.80
Business Travel	353.30	-	7.50	1228.40	-	8.20
Government Expenditures	46.70	1.00	7.50	129.50	1.00	6.10
Capital Investment	838.90	7.50	7.40	2617.30	7.00	7.10
Visitor Exports	411.40	3.60	11.60	1135.70	1.50	6.10
Other Exports	163.40	1.40	14.50	976.10	1.30	14.40
Travel & Tourism Demand	2829.70	-	8.70	9472.70	-	7.90
T&T Industry GDP	838.70	2.00	5.70	2551.30	1.90	6.80
T&T Economy GDP	2190.20	5.40	6.90	6948.60	5.20	7.30
T&T Industry Employment	11002.90	2.30	-0.50	11653.50	2.20	0.50
T&T Economy Employment	25607.10	5.50	0.20	28322.00	5.20	1.00

*Source: World Travel & Tourism Council (WTTC); India Travel & Tourism Navigating, The Path Ahead. The 2007 Travel & Tourism Economic Research.*

### SWOT Analysis of Indian Tourism Industry

#### Strengths

- One of the most diverse products on the global tourism scene - wide choice of tourist destinations
- Presence of highly sought tourist destinations, including the Taj Mahal
- Warm and friendly local population
- Government's focus on the sector as an important source of contributor to GDP and employment generation
- Strengthening travel and tourism infrastructure - hotels, roads, airports etc

#### Weaknesses

- The infrastructural facilities need to improve further.

#### Opportunities

- Government expenditure on the industry rising from a low base
- Medical tourism - a major growth driver

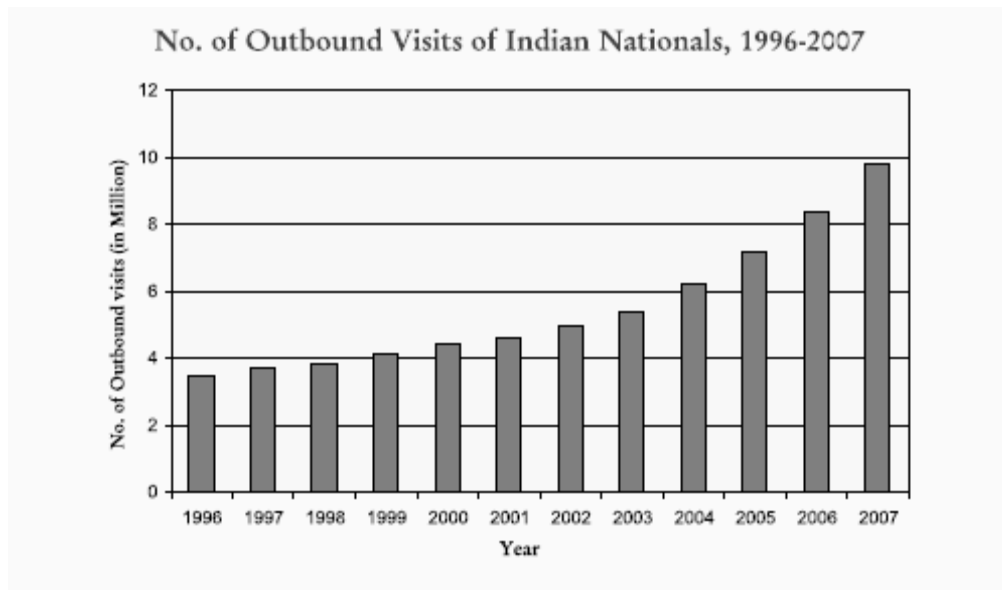
#### Threats

- Law and order situation in certain pockets of the country may adversely affect tourist flow
- Natural disasters like bird flu, tsunami, earthquakes etc
- Aggressive promotion by neighboring countries in the Asian region, which generates competition

**The Tourism business in India can be generally classified into 3 areas viz. Outbound Tourism, Inbound Tourism and Domestic Tourism. The same is explained as under:**

## OUTBOUND TOURISM

A booming economy, rising disposable incomes, higher aspirations, cheaper international air travel and better products from the industry has boosted outbound tourist flow. The number of outbound travelers from India has increased from 3.46 mn in 1996 to 9.78 mn in 2007. The growth in number of outbound travellers from India during the period 1996 to 2007 are shown in the graph given below:



Source: Department of Tourism

### Growth Drivers

- Rising disposable incomes

Increasing average disposable income has fuelled tourism, both domestic as well as outbound. More and more Indians are now spending money on leisure travel. Disposable income is concentrated in the urban areas, due to the prominence and increasing number of double income nuclear families. However, there is a vast population living in the semi-urban and rural areas, and there is considerable untapped potential in these areas. With rising disposable incomes, more and more Indians are spending money on foreign vacations.

- Rising consumer expenditure on leisure

With an increase in the population, along with an expanding middle class and a rise in disposable incomes, consumer expenditure on leisure is on an upward curve. A large proportion of this burgeoning middle class is spending on leisure travel.

- Rising business travel

With the growing economy and increasing globalization, the business travel is on an upswing.

- Others

Relaxation in exchange control regulations and ease of spending in forex have contributed to the boost in outbound travel.

### Outbound destinations

Departures by Destination	2002	2003	2004	2005	2006	2007
Singapore	375.0	254.9	440.0	556.5	648.3	839.1
United Arab Emirates	308.7	237.9	314.4	395.7	493.8	617.6
USA	257.3	240.5	296.7	383.3	484.9	570.7
United Kingdom	222.5	226.9	246.3	333.9	425.7	502.6

'000 people

Thailand	280.6	155.0	254.8	321.5	375.5	464.1
Malaysia	183.4	99.7	163.3	224.8	258.7	356.3
Hong Kong, China	199.0	84.5	170.1	229.1	260.9	308.1
France	129.4	135.0	146.1	152.5	165.0	199.8
Italy	134.0	127.4	120.0	138.5	157.6	189.3
Switzerland	80.4	80.3	89.9	117.5	141.1	175.3
China	72.8	53.1	74.7	94.4	116.6	150.1
Australia	45.0	45.6	54.7	77.9	95.4	126.8
Sri Lanka	66.8	85.4	90.0	95.2	102.7	126.2
Nepal	72.0	43.7	74.0	87.2	96.0	118.4
Japan	41.9	46.3	49.7	68.0	84.7	103.0
Egypt	32.1	31.8	44.8	56.1	73.2	85.0
Indonesia	32.0	27.6	35.7	48.2	62.9	84.5
South Korea	52.4	42.5	54.9	63.1	69.2	80.4
New Zealand	13.8	13.4	15.1	21.0	28.1	48.4
Belgium	15.5	13.8	17.1	19.8	22.6	26.8
Other destinations	2,325.6	2,454.8	2,647.7	2,698.8	2,838.0	2,800.8

Source: Euromonitor International, November 2008, *Tourism Flows Outbound – India*

Southeast Asian countries and the Middle East were the most popular destinations for Indians traveling abroad. This is because of the closer proximity of the nation to India and the availability of cheaper and affordable holiday packages.

Singapore continued as the top choice for Indians to vacation abroad. Dubai trumped the US as the second most favourite outbound destination for the Indians. It accounted for 7.8% of all departures as against a share of 7.2% for USA. Also, the aggressive marketing campaigns of countries like Malaysia, Singapore, and Dubai (especially during the Dubai Shopping Festival) encouraged Indians to opt for these destinations.

Several countries like Ireland, Holland, Spain, Poland, Finland, Jamaica and South Korea have opened tourism offices in India to directly target Indians wanting to holiday abroad.

### Purpose of Visit

Leisure travellers dominate the outbound category, accounting for almost 70% of departures and business departures accounted for slightly more than 30% of the total outbound travelers in 2007.

Leisure travellers grew at a rate of close to 15% in 2007. Close to 5.6 million people voyaged abroad from India for leisure in 2007. Business travel in 2007 accounted for more than 2.3 million departures. This category exhibited a growth of 12%, over 2006.

### Forecasted Departures and Outgoing Tourism Expenditure:

Year	'000 people	% growth	Value (Rs. in Mn.)	% value growth
2008	9,256.9	16.1%	374,109.6	9.4%
2009	10,941.3	18.2%	414,345.9	10.8%
2010	12,900.6	17.9%	462,368.9	11.6%
2011	15,048.1	16.6%	510,048.2	10.3%
2012	17,070.1	13.4%	557,160.3	9.2%

Source: Euromonitor International, November 2008, *Tourism Flows Outbound - India*

### Growth Prospects

With growing disposable incomes, cheaper travel and holidaying options, the outbound market of India has great potential. By 2012, more than 17 million Indians are expected to be travelling abroad every year, a CAGR of 16.5% over the forecast period of 2008-2012.

Business departures are expected to grow strongly, registering a CAGR of about 16% over the forecast period. India is emerging as a major economic power and this has led to an increased business interests in several

countries. Indian tourists are now being recognised all over the world. This would lead to more countries trying to woo the Indian traveler. By 2012, Singapore, the US, UAE, UK and Malaysia are expected to emerge as the top 5 preferred outbound destinations for Indians. India has offered to engage ASEAN (Association of South East Asian Nations) countries in an “Open Skies” policy to bolster regional economic integration and growth. This will further enhance outbound tourism from India.

*Source: Euromonitor International, November 2008, Tourism Flows Outbound - India*

## **INBOUND TOURISM**

Focused marketing of tourism products and branding of India as a high value destination coupled with policies targeted at strengthening of tourism infrastructure by the Ministry of Tourism have been responsible for a healthy growth in international tourist arrivals to India. Over the years, the arrival of foreign tourists has grown from about 17,000 in 1951 to 4.45 mn in 2006 and 5 mn in 2007. During the first 7 months of the current year, 2008, the figure is estimated at 3.15 mn arrivals.

Foreign exchange earnings from foreign tourist arrivals in India during 2006 and 2007 were approximately INR 40,375 crores and INR 47,925 crores respectively, a growth of about 18.7% over the previous year. For the first 7 months of the current year, this is estimated at INR 29,695 crores.

*Source: Ministry of Tourism, Government of India; <http://tourism.gov.in/>*

### **India's Tourist Profile**

India receives the largest number of overseas tourists from the United Kingdom, which is its largest source market, followed by the United States, Sri Lanka, France, Canada, Japan, Germany, Malaysia, Australia and Singapore.

The two largest source markets for India - US and UK together accounted for approximately 33% of the total arrivals in 2007. Of the tourists coming to India in 2007, about 57% comprised of couples and families, 36% and 21% respectively. Single travellers and backpackers formed 21% and 8% of the total tourist arrivals.

Almost 64% of all incoming traffic into India in 2007 was for leisure purposes and approx. 36% of all incoming traffic into India in 2007 was for business purposes. In 2007, the business travellers into India grew at a rate of 15% over 2006.

*Source: Euromonitor International, November 2008, Tourism Flows Inbound – India*

### **Tourist Attractions**

- **Historical heritage:** Historical places like forts, the Taj Mahal etc. attract a large number of foreign tourists every year.
- **Medical Tourism:** The Ministry of Tourism has taken several initiatives, in partnership with the private sector, to promote India as a destination for medical tourism and make it a global health destination.
- **Rural Tourism:** The concept of rural tourism is developing for showcasing the art, crafts and cultural heritage of the rural India and for creating gainful employment in villages with tourism potential.
- **Cruise Tourism:** India has a vast and beautiful coastline and hence the potential to develop cruise tourism.
- **Convention Tourism:** International convention centres of global standard are considered to be one of the important avenues for promoting India as an attractive tourist destination in the global market. Ministry of finance has already identified New Delhi, Mumbai, Bangalore, Goa and Jaipur for opening of world-class convention centres. Several initiatives have been taken up by way of public-private partnership to develop small convention centres of high standard.

## Growth Prospects

The Government of India, along with the Tourism Development Corporation, launched the “Incredible India” campaign worldwide across the US, Europe, Asia Pacific and the Middle East to attract affluent tourists from all parts of the world to India.

The tourist arrival in India is expected to cross 11 million tourists per year, by 2012. By 2012, about 34% of all arrivals into India are expected to be for business purposes.

*Source: Euromonitor International, November 2008, Tourism Flows Inbound – India*

## DOMESTIC TOURISM

Indians travel within India mainly for pilgrimage/religious reasons, leisure, visiting families/friends and business.

Uttar Pradesh is an important state from the religious perspective - Varanasi and Allahabad are major pilgrimage destinations for Hindus (the dominant religious group in India). The capital of Uttar Pradesh, Lucknow, is a cultural centre for Muslims. The state of Uttaranchal has the Char Dhams, important pilgrimage spots for Hindus. Similarly, Tamil Nadu and Andhra Pradesh are important religious states for the Hindus.

The advent of low cost airlines has also improved domestic travel in India. Increased capacities and competitive ticket prices have encouraged a large number of Indians to travel within India. This has also helped leisure and business travel, which is booming with the growing economy. Hyderabad and Bangalore have emerged as important commercial and IT hubs of India. They attract a fair share of business travel, along with Mumbai and Delhi. Initiatives, by the Ministry of Tourism, Government of India, as well as the various state tourism departments are also aimed at promoting domestic tourism. Hill stations of Northern India, beaches of Goa, Kerala and other southern Indian states, as well as smaller hill stations located across the country attract leisure travelers. Many domestic leisure travellers also visit Uttar Pradesh, as it is the land of The Taj Mahal, one of the Seven Wonders of the World.

### Domestic Trips by Destination: 2002-2007

'000 trips

	2002	2003	2004	2005	2006	2007
- Andhra Pradesh	60,487.4	73,166.3	77,365.2	84,714.9	114,365.1	141,812.7
- Bihar	6,860.2	8,683.2	8,865.6	9,530.5	10,312.0	11,549.5
- Gujarat	5,735.3	8,111.0	12,559.3	13,689.6	13,963.4	14,312.5
- Jammu and Kashmir	4,570.6	4,965.6	5,546.0	5,767.8	6,004.3	6,256.5
- Karnataka	8,678.7	17,436.8	20,180.3	24,115.5	28,022.2	32,645.8
- Kerala	5,568.3	6,000.0	6,932.6	7,556.5	8,040.2	10,291.4
- Maharashtra	9,802.5	10,567.5	12,793.3	15,224.0	18,451.5	22,381.7
- Rajasthan	8,300.2	10,675.2	11,300.4	12,091.4	18,532.3	24,462.6
- Tamil Nadu	39,873.2	28,984.6	41,117.0	46,051.0	51,024.6	56,637.3
- Uttar Pradesh	73,067.0	88,175.9	99,325.8	114,224.7	118,793.7	123,783.0
- Other domestic tourism destinations	48,384.8	58,350.1	50,642.4	54,693.8	55,895.2	56,733.7
Domestic tourism	271,328.2	315,116.2	346,627.9	387,659.8	443,404.4	500,866.6

*Source: Euromonitor International, November 2008, Tourism Flows Domestic – India*

## Tourism - Policies

The government is recognizing tourism as a major driver of economic growth and employment generation. The Ministry of Tourism is taking many measures to generate more revenue. Some of these measures included:

- Improving tourist infrastructure at important destinations.
- Focussing attention on hotel infrastructure, particularly budget hotels.
- Enhancing connectivity through augmentation of air seat capacity.

- Improving road infrastructure to major tourist attractions.
- Directly approaching consumers through centralised electronic and print media, through the “Incredible India” and “Athi Devo Bhav” campaigns.
- Promoting the use of Internet connectivity.
- Launching road shows in major source markets.
- Use of the 7-S Mantra of Swaagat (welcome), Soochanaa (information), Suvidhaa (facilitation), Surakshaa (security), Sahyog (cooperation), Sanrachnaa (infrastructure) and Safaai (cleanliness)

The government is now also planning to open up new areas to boost tourism growth. Developing newer areas translates into greater tourist numbers. Places like Orissa, Madhya Pradesh, Chattisgarh, the Northeastern states and Karnataka will be the focus areas in the coming years.

*Source: Euromonitor International, September 2006, Travel & Tourism India*

## FOREIGN EXCHANGE MARKET

Services related to foreign exchange and travel insurance are important incidental services to the travel business.

### Indian Money changing Market

Money changing business consists of buying and selling foreign currencies for the needs of the travelers. Foreign exchange comes into the country through tourists visiting India, physical currency deposits into FCNR accounts by NRIs. These foreign currencies are bought by the various foreign exchange players. Similarly foreign exchange is sold by these players to tourist going out of India. Excess currency in the system is exported back to the country of issuance.

Indian money changing industry is highly fragmented with very large number of regional and local players providing the money changing facilities to retail and corporate customers. However, these players are niche local players and lack on the scale of operations at national level. The size of their business makes it economically unviable for these smaller players to either consolidate excess currencies from other players and / or export currencies on their own. They are mainly dependent on few large players including TCIL for consolidating and exporting the excess physical currency from India to country of issuance of these currencies.

### Market Players

RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority for the Indian financial system. A variety of financial intermediaries / entities in the public and private sectors are authorized to deal in foreign exchange and their major activities include the following:

Sr. No.	Category	Entities	Major Activities
1.	Authorised Dealer - Category - I	<ul style="list-style-type: none"> <li>• Commercial Banks</li> <li>• State Co-op Banks</li> <li>• Urban Co-op Banks</li> </ul>	All current and capital account transactions according to RBI directions issued from time-to-time.
2.	Authorised Dealer - Category - II	<ul style="list-style-type: none"> <li>• Upgraded FFMCS</li> <li>• Co-op. Banks</li> <li>• Regional Rural Banks (RRBs)</li> <li>• Others</li> </ul>	Specified non-trade related current account transactions and all the activities permitted to Full Fledged Money Changers and any other activity as decided by the Reserve Bank.
3.	Authorised Dealer - Category - III	<ul style="list-style-type: none"> <li>• Select Financial and other Institutions</li> </ul>	Transactions incidental to the foreign exchange activities undertaken by these institutions.
4.	Full Fledged Money Changers	<ul style="list-style-type: none"> <li>• Department of Posts</li> <li>• Urban Co-op. Banks</li> <li>• Other FFMCS</li> </ul>	Purchase of foreign exchange and sale for private and business visits abroad.

Currently there are 84 Authorised Dealers in category I, 11 Authorised Dealers in category II and 8 Authorised Dealers in category III.



The licences for ADs are issued to banks and other institutions, on their request, under Section 10(1) of the Foreign Exchange Management Act, 1999. ADs have been divided into different categories. All scheduled commercial banks, which include public sector banks, private sector banks and foreign banks operating in India, belong to category I of ADs. All upgraded FFCs, select regional rural banks (RRBs), co-operative banks and others belong to category II of ADs. Select financial institutions such as EXIM Bank belong to category III of ADs. All merchant transactions in the foreign exchange market have to be necessarily undertaken directly through ADs. However, to provide depth and liquidity to the inter-bank segment, ADs have been permitted to utilise the services of brokers for better price discovery in their inter-bank transactions.

Customers – individuals, corporates, who need foreign exchange for their transactions are also one of the major players in the foreign exchange market, who for all practical purposes they depend upon ADs and brokers.

*Source: RBI report on currency and finance (2005 – 06), Development of financial markets and role of central bank*

## **TRAVEL INSURANCE**

Travel Insurance can protect travelers against contingencies associated with traveling. This insurance provides coverage for emergencies such as emergency hospitalization due to accident or illness, loss or delay of checked luggage, loss of travel documents and accidental death/dismemberment, repatriation of remains and emergency medical evacuation. This policy often includes trip cancellation insurance and Personal liability.

Our Company sees immense growth potential for insurance for outbound travel. India is among the least insured countries in the world. Schengen Countries do not allow visitors' entry without an insurance cover. Thomas Cook India's plan to offer insurance is in line with the practice overseas where travellers insure themselves and their luggage before setting out on long trips. With air travel becoming common place, travel insurance has been picking up. Most of the General insurance companies in India are beefing up this business by providing customized products to passengers. The overall boom in overseas travel has created opportunity for all insurance companies to expand the business

## **CREDIT CARDS**

There is an increasing trend to issue co-branded credit cards, which are issued by companies who want to create customer and brand loyalty. These cards are typically issued in association with banks, which take up the administrative work related to credit appraisal, issuance and subsequent billing, using their existing credit card business channels.

Our Company has launched "Thomas Cook Titanium MasterCard" which is a comprehensive travel credit card in the Indian market as it allows cardholders to avail of benefits across all travel services and is not limited to a particular Company or a service provider. So a consumer using this Credit Card at any of the Company's outlets would be rewarded for all travel purchases - be it airline tickets, holiday packages, hotel bookings and travel insurance. The card also offers premium features and international benefits associated with Mastercard Titanium cards across the world.

## **RELATED SECTORS:**

### **Travel Accommodation**

Accommodation sales saw high growth due to the increasing gap in the supply and demand of hotel rooms in India. This has led to soaring occupancies and also an increase in the ARR (average room rates) across India. It is anticipated that India will need another 40,000 to 50,000 hotel rooms in the next 3-4 years to cope with the rise in demand. Number of travel accommodation outlets grew at a rate of 10% during 2006, to reach 36,650. Accommodation saw a rise of 24% in current value terms to reach a value of over Rs485 billion, driven by the booming inbound and domestic tourism. Self-catering apartments witnessed the strongest growth, 68%, in current value terms.

India is witnessing a growth in budget travellers which is correspondingly led to an increased demand for budget accommodation. It is estimated that out of the 25,000 hotel rooms that are planned for the next five years,



approximately 40% of these will be in the budget category. The number of budget travellers is on the rise across the globe due to the advent of low cost carriers and also thanks to rising disposable incomes that supports increased leisure travel.

The hotel industry in the country is seeing a huge increase in Average Room Rates (ARR) and a steady increase in occupancies, due to steadily rising demand from business travellers and strong tourist inflows. Hotel rooms in India have also become increasingly expensive. The all-India occupancy mark too reached the 71% mark for the first time and many cities were completely sold out on a number of weekday nights, resulting in hotels hiking their rates sharply.

Around 7% of hotels in India belong to the 5-star and plus category. The bulk of hotels in the country are those which are unrated or are in the 2-star/1-star category. 6% are 4-star and 22.5% belong to the 3-star category. The highest number of 5-star hotels can be found in Mumbai.

*Source: Euromonitor International, October 2007, Travel Accommodation*

## **Transportation**

Transportation sector as a whole grew at a rate of 15% in current value terms in FY 2006. Strong growths were seen in the transportation industry of India, primarily driven by the roaring success of the low cost carriers, which spearheaded total air sector growth of over 17%. Low cost carriers achieved a growth of more than 114% in current value terms in 2006.

Rail too achieved good growth in 2006, of 11% in current value terms. In 2007 Indian Railways has an average occupancy of more than 80%.

Strong growth rates were also exhibited by car rentals. This category has a very small share in the total value sales of the transportation sector, less than 1%. But the industry is going through much expansion and growth, growing in value by approximately 28% in 2006. With an increase in tourism, the demand for car rental is also rising.

The majority of India's population travel by bus, as this is the cheapest mode of travel. Also, with improvements in infrastructure, travel by road is becoming faster and more convenient. The government has introduced a new generation of buses from Volvo and Daimler Chrysler targeted at the hospitality sector. These buses are very popular in the tourism sector, and also have higher fares than other buses.

*Source: Euromonitor International, October 2007, Transportation India*

## **Online sales**

The Internet user base in India has registered substantial growth in recent years, with 37 million users by the end of 2007. Of this number about 32% active users turn to the Internet as a primary source of information and for research. One reason for this is the extensive investments in the IT and telecommunications infrastructure by the government, providing broadband connections at extremely reasonable rates to its citizens. This means that more people are becoming net savvy and are harnessing the power of the Internet. Due to the rising number of internet users, online travel sales have improved, especially in the case of low cost carriers. Low cost carriers often offer better deals to customers booking tickets online and people are taking advantage of this. This also benefits the airline industry, as they are able to reduce their overhead costs.

Internet transactions have a strong potential in India as the current penetration rate is not very high. In the future, it is expected that more people will use the Internet as a channel for e-commerce and not just a medium to research product information. The growth in internet sales is expected to pick up pace in the future, especially through intermediaries.

*Source: Euromonitor International, October 2007, Travel & Tourism India*



## **BUSINESS OVERVIEW**

Our Company was incorporated on October 21, 1978 under the Act. It is one of the largest travel and travel related financial services company in India, offering a wide spectrum of travel-related services that include Foreign Exchange, Travel management, Leisure Travel, and Travel Insurance. It operates through the following divisions:

- Foreign Exchange and Financial Services – Authorized dealers in foreign exchange focused on providing travel related foreign exchange & payment solutions. Our Company also offers credit cards and financial services relating to travel insurance.
- Travel & Related Services – Services include consumer leisure travel retailing (such as retailing of package tours), travel management services (such as air, hotel reservations and land arrangements), leisure inbound service (services for customers of third party tour-operators at their arrival) and general sales agency business.

### **Competitive Strengths**

#### **Integrated provider of travel & forex related services**

- Our Company is an integrated provider of travel & forex related services such as travel management, airline ticket and hotel booking, package tours, travel insurance, emergency services and providing forex to domestic and foreign tourists and business travelers and forex services to other forex dealers as well.
- We provide one stop shop for all the travel requirements from visa to ticketing to holidays to insurance to foreign exchange under one roof. This cross selling of products facilitates our customers, thereby, making it our unique selling proposition.

#### **Leadership & highly differentiated presence in forex market**

- We are one of the few non-banking institutions to have been granted Authorized Dealer (AD Category II) license by the RBI.
- AD license, combined with strong network, helps us offer the widest possible product suite in a cost-efficient manner.
- Merger of LKP Forex has further strengthened our leadership as a Foreign Exchange service provider.

#### **Established institutional customer base**

- Country's top public and private sector banks are customers of our wholesale forex services
- Ability to service both institutional and retail customers
- Provides travel management services for business travel and services to leading corporates including Multi National Companies in India

#### **Strong domestic retail presence & growing overseas presence**

- Pan-India footprint for selling all products through a single customer interface – presence in around 160 locations in 55 cities in India.
- Approximately 200 Preferred Sales Agents in India
- Forex desks at strategic locations such as airport terminals
- Presence in 13 countries through our subsidiaries

#### **Strong brand equity**

- We have a strong corporate image and brand equity
- Our Company has been recognized as a strong brand both locally and internationally.
- We enjoy leadership positions in all areas of our operations and believe that we are a benchmark setter for others in the industry.



### **Highly qualified and motivated employee base and proven management team**

- Our Company operates in service industry wherein the biggest asset of the Company is the quality of its human resources.
- Our Company is managed by Directors who are qualified and are having significant experience in the industry. The Board of Directors is supported by a team of professionals with several years of relevant experience.

### **High integrity and transparency levels**

- Our Company aims at maintaining high level of Corporate Governance - fairness, transparency, accountability and responsibility in the functioning of the Company with the ultimate objective of realizing and enhancing shareholders value.
- Our Company has in place Anti Money Laundering Policy to ensure that all internal and statutory guidelines are adhered to.
- Periodic audits are conducted to minimize risks and eliminate areas of concern.
- Internal control system is in place to continuously monitor transactions.

### **Customer focus**

- Our Company lays great emphasis on customer service and providing quality care to our customers. Our Company works towards providing 100% satisfaction to the customers. Service quality cell has been set up to ensure customer retention and repeat business.

### **Strong information technology infrastructure set-up**

- Our Company has a strong Information Technology infrastructure base with Wide Area Network connectivity covering all locations, to support its operations across the country.
- All hardwares are installed with anti-virus software to ensure that a virus-free and secured network is maintained.

### **Strategic Alliances / Tie Ups**

- Partnership and collaborations include those with State Bank of India, Citibank, JTB Corp., Cosmos, EuRail, Star Cruises, Cunard and others as also an alliance with Tata-AIG General Insurance Company Limited for underwriting of travel insurance and with ICICI Bank for issuance of co-branded credit cards
- Our Company has executed an International Money Transfer Agreement with MoneyGram Payment Systems, Inc whereby our Company is authorised by MoneyGram to provide Money Transfer Services.

## **OUR OPERATIONS:**

### **A. FOREIGN EXCHANGE & FINANCIAL SERVICES**

#### **FOREIGN EXCHANGE**

Our Company is one of the India's largest foreign exchange dealers in both wholesale and retail segments of the market. It is one of the few non-banking institutions to have been granted an Authorised Dealers license to deal in foreign exchange by the Reserve Bank of India. As Authorised Dealers in foreign exchange we provide foreign exchange and payment solutions for leisure and business travelers, students going abroad for higher studies, people traveling for employment, medical treatment, emigration etc. The merger of LKP Forex with our Company gives us an opportunity to grow our business with expanded product portfolio through enhanced network. This will further consolidate our position in the foreign exchange market.

## Forex Business Model

Our Company has been granted an authorized dealers' license (category II) by RBI to deal in foreign exchange through its designated branches. Under this license, we have been, *inter-alia*, granted permission to undertake the following activities:

1. Retail purchases of foreign currencies and travelers cheques.
2. Bulk purchases/sales of foreign currencies from/to authorized dealers, money changers and franchisees.
3. Release / remittance of foreign exchange for the following activities:
  - a. Private Visits
  - b. Remittance by tour operators/travel agents to overseas agents/principals/hotels
  - c. Business Travel (including for Central and State Government officials)
  - d. Fee for participation in global conferences and specialized training
  - e. Payment of crew wages
  - f. Film Shooting
  - g. Medical Treatment abroad
  - h. Overseas Education
  - i. Remittance under educational tie up arrangements with universities abroad
  - j. Maintenance of close relatives abroad
  - k. Stall rentals and participation fees in connection with participation in overseas exhibitions / fairs
4. Import and export of foreign currency and export of encashed Traveler's Cheques
5. Maintenance of foreign currency accounts with banks abroad and undertaking forex cover operations in India and abroad.

The activities permitted by RBI are carried out only at the specific locations permitted by RBI. As an Authorized Dealer, we are a member of the Foreign Exchange Dealers Association of India.

Our Forex business can be classified into two segments – Retail and Bulk (Wholesale) business. Retail business relates to providing foreign exchange services to travelers visiting India or going out of India. Bulk business comprises providing currency buying and selling services to institutions like banks, FFMCs, RMCs etc. Our Company consolidates the offloaded currencies at a central place and then physically exports them to banks in other parts of the World to receive credit for the same in our NOSTRO accounts maintained with them.

Our Company earns its revenue from the spread between the buy and sell rate for forex and commissions for its services. We continue to focus on growing business volumes, maintaining revenue yield and management of costs.

Our Company provides the foreign exchange and payment solutions for:

- **Individual travelers**
  - Foreign exchange for leisure outbound travelers
  - Foreign Exchange for migration, employment, medical treatment
  - Remittances for students studying abroad, gift remittances etc
  - Encashment services & inward remittances for inbound tourists visiting India, Non Resident / Resident Indians.
- **Corporate**
  - Travel money and remittances for business travelers.
  - On site support for inbound tour conferences.
  - Film production houses traveling for shoots abroad.
  - Remittances of tour proceeds for tour operators.
- **Institutions**
  - Bulk purchases and sales of foreign currencies from Banks, Non Bank Retailers and Money Changers.



Our business model revolves around leveraging its position as an Authorized Dealer with systems, ability and experience of handling large volumes of forex transactions for both wholesale and retail customers in a highly cost-efficient manner.

## Products and Services

As an Authorised Dealer, our services includes wholesale and retail purchase and sale of currency notes, Purchase and Sale of Traveler Cheques (“TC”), pre paid international cards, inbound and outbound remittances and Money Transfers (“MT”). Some of our products and services are:

- Purchase and Sale of currency notes in 26 destination currencies
- Purchase and Sale of foreign currency denominated travelers cheques
- Thomas Cook Global Money Card and Citibank World Money Card as prepaid cards, which is a convenient way to carry money overseas
- Foreign Currency Drafts
- Wire transfer of Funds
- Remittance of money into India through MoneyGram
- Cash Advances against International Credit Card

## Network

Our strong network enables us to attract large wholesale clients such as public and private sector banks, FFMC's and RMC's to use our services. We have a strong network of approximately 160 offices in 55 cities and 100 RMCs & Hotel Franchisee.

Our Company has foreign exchange counters at the international airports of Mumbai, New Delhi, Kolkata, Chennai, Cochin and Trivandrum which are open 24 hours and 365 days a year to cater to the needs of the international travelers. Our Company also has a round-the clock Foreign Exchange counter at the New Delhi Railway Station.

## FINANCIAL SERVICES

### 1. Travel Insurance

Insurance business of being carried out through our 100% subsidiary - Thomas Cook Insurance Services (I) Ltd. (“TCISL”). TCISL is a corporate agent of Tata AIG General Insurance Company Limited. TCISL entered insurance distribution in 2001 and offers the following products and services:

1. **“TravelCare” (Overseas Travel Insurance)** - Travel Care offers security for travelers which covers travel insurance, hospitalization, loss of documents, Repatriation of Remains, emergency Cash Advance or any other crises which requires assistance.
2. **“FamilyCare”** - An Overseas travel Insurance cover for entire family of 4-5 persons with single overall sum insured.
3. **“ScholarCare” (Overseas Student Insurance)** – A customized product for all students studying abroad which ensures timely assistance in case of unexpected surprises in a foreign land.
4. **CorporateCare (Overseas Corporate Travel Insurance)** - For Companies where employees travel abroad frequently on work, we have customized group policies. All foreign trips undertaken by employees in a year are covered under a single policy.

TCISL provides all insurance products at all our outlets, leveraging on ability to cross sell insurance products to our Travel and Forex customers.



## 2. Thomas Cook Credit Card

Our Company offers Thomas Cook credit card in association with ICICI Bank Limited. Our Company and ICICI Bank are marketing and issuing a co-branded credit card to the customers for using the same at various Master Card retail merchant establishments for availing benefits attached to the said card. The card has been devised as part of loyalty program for the products of the company with benefits attached to spend through the card at Thomas Cook outlets.

### Salient Features:

Thomas Cook Titanium MasterCard features in brief:

- The card has been specially designed for frequent travelers.
- Attractive 6 reward points for each spend of Rs.100 on the card on Thomas Cook products - Free Delivery of Foreign Exchange within city limits
- Rs. 5,000 discount on any Thomas Cook GIT product
- 1 Free Air ticket to a domestic destination on the issuance of new card
- Complimentary travel inconvenience insurance policy
- Access to MasterCard travel lounges at Airports across the world
- Redemption of reward points for Thomas Cook holiday packages, hotel stays, air tickets, airline upgrades, etc
- Conversion of Thomas Cook reward points to frequent flyer miles - convert the reward points earned on card to frequent flyer miles on select domestic airlines.
- Positioned as a comprehensive travel card
- Assured gifts for the joining fees – free air ticket / discount voucher
- Higher reward points for card swipes at Our Company's outlets
- Redemption of reward points against Thomas Cook products encouraged

## B. TRAVEL & RELATED SERVICES

Our Company offers a wide range of travel and related services directly as well as through our subsidiaries which include:

1. Corporate travel management
2. Leisure Travel inbound
3. Leisure Travel outbound
4. Domestic Travel

### 1. Corporate Travel Management:

Corporate travel management forms a dominant share of overall travel business of our Company. We manage the travel budgets of several large national and multinational companies. Our large scale of operations enables us to effectively manage travel budgets of several Multi National Companies, blue-chip companies and multinational banks to their advantage. Our Company is providing integrated travel management/ advisory services to more than 300 Clients.

Our Company provides the customers a complete basket of products for all their travel needs:

- Air Reservations
- Hotel Reservations
- Land arrangements which includes sight seeing, car rental, transfers etc.
- Passport/Visa Service
- Conference/Incentive tour arrangements
- Foreign Exchange
- Insurance

Our branches specialize in offering tailor-made Travel Policies for each corporate, thereby bringing savings on spend.



Based on requirements and volumes of business, corporate are serviced either by having a dedicated relationship team visits client's office regularly or having a dedicated & expert travel consultant with Centralised Reservation System located at the client's site as an 'implant'.

## **2. Leisure Travel Inbound**

Inbound Tourist refers to tourists/ travelers coming to India.

Inbound tour operators promote India as a tourist destination. We organize tours for foreign tourist visiting India. We organize Individual tours, group tours and Conferences. Various services offered in inbound business are accommodation, ticketing, roundtrip, excursion, land arrangements, airport transfer etc. These services are procured from providers of these services like hotels, airlines, transporters, guides etc. within India. Customers are typically individuals and are sourced by overseas principals, tour operators or travel agents. TCI, one of the subsidiaries is among the leaders in inbound tourism and works closely with tour operators worldwide.

TCI has a widely distributed network of travel agents and tour operators worldwide. It has around 20 offices in India and a total of 11 offices in USA, Canada, UK, France, Germany, Spain, China, Korea, Japan and Australia.

We also act as a ground handling agent domestically for Charter flights coming from international destinations. We also offer customized individual holidays, group escorted holidays, MICE (Meeting, Incentive, Conference and Exhibition) arrangements and emergency medical assistance.

Inbound travelers handled by our Company are primarily from Europe and USA. Our company enters into business arrangements with the foreign tour operators for servicing their customers when they arrive in India.

## **3. Leisure Travel Outbound**

Outbound tourist refers to Indian Nationals traveling out of India.

Our Company offers outbound tour packages across approximately 50 Countries. Outbound packages include various services like air tickets, visa, travel insurance, airport transfer, hotel accommodation, sight seeing, etc.

Outbound is further classified into following categories:

1. Group Escorted Holidays: These are ready made packages where a group of travelers is escorted by a Tour Manger.
2. Customised Individual Holidays: Tailor made packages based on individual requirements
3. MICE: Dealers/Employees are sent on tour by Corporates.
4. Sales agency amongst others for Star Cruise, Rail Europe, Globus, Cosmos Tours, Greyhound, Amtrak, Rocky Mountaineer Vacations, Japan Rail and Costa Cruises

## **4. Domestic Travel**

Domestic Travel refers to Indian Nationals (Tourists, Business Travelers, Students, Leisure travelers) traveling within India. Various services offered are accommodation, ticketing, roundtrip, excursions, land arrangements, airport transfer, etc. These services are procured from service providers like hotels, airlines, transporters, guides, etc.

TCI, one of our subsidiaries specializes in special interest and incentive tours, conferences and air charter / cruise ship ground operations. It operates its own Taj Mahal Tour and Delhi City Tour and is a General Sales Agent ("GSA") for the Palace on Wheels and the Deccan Odyssey.

We are active members of various industry and professional organizations.

### **Cross Selling of Services:**

Our Company is leveraging its strong distribution network and the unique integrated travel and travel related service provider position to cross-sell our varied portfolio. We leverage on footfalls into our offices and



accordingly, we have a common front-end to sell all our services. This facilitates servicing all travel requirements of our customers under one roof.

### **Overseas Operations:**

Our Company has also expanded into key tourist destinations such as Sri Lanka and Mauritius.

In Mauritius, our Company has its presence since 2000 through a 100% subsidiary and 3 step down subsidiaries. The Mauritian operations include providing foreign exchange, travel and holiday services. Our Company has one strategic airport counter at SSR International Airport offering foreign exchange services and three other offices (two at Port Louis and one at Grand Baie). In Sri Lanka, our Company is present at the airport offering forex services.

### **Delivery Channels**

In order to strengthen our delivery capabilities, we have introduced new channels such as web and call centers as additional alternatives for our customers. We have a 24-hour call center in Mumbai to provide full CRM support. We have also set up a one-stop comprehensive internet booking engine to strengthen existing customer relationships and build new ones. These channels operate seamlessly with the existing channels using a common technology platform.

### **IT Infrastructure**

Our Company has installed SAP based management information and IT system to enable effective management of its multi-location businesses. To enable reporting on a real time basis, all our branches are connected with the head office. Our Company's Wide Area Network (WAN) provides a stable and effective means of giving valuable support to the business. We have also implemented an integrated Front Office System for leveraging on its potential of cross-selling and up-selling its services.

### **Competition**

Travel and forex services business in India is highly fragmented with presence of many regional, local and unorganized sector players. There is no single player of comparable size, who is able to offer a wide range of services as offered by our Company. However, there are different players that compete with us in various market segments.

### **Collaborations, any performance guarantee or assistance in marketing by the collaborators**

As of the date of filing of the Letter of Offer, our Company has not entered into any collaborations or agreements for marketing of our products.

### **Export obligations**

There is no export obligation on the Company.

### **Business Strategy**

- Our strategic objective is to continue to build on our position as one of the leading integrated provider of forex and travel & related services by leveraging on our existing network which will also enable us to cross sell our products.
- Leverage expanded network for expanded portfolio
- Utilise overseas network for newer travel destination
- Build customer loyalty through focused approach
- Brand Building



## Property

Our Company has various owned/leased properties used for residential and commercial purposes, details of which are given below:

Description of Property	First Party	Date & Type of instrument executed	Maturity of Agreement
<b>Registered office of our Company</b>			
Plot No. 59 & 60, Esplanade, Homby Road, Bombay	Bai Jimabai and Hormasjee Noshervanjee Vakeel	May 14, 1911 Lease Deed	January 12, 2001*
*The said Lease has expired on January 12, 2001 and has not been subsequently renewed on account of a steep increase in the Lease rent by the Municipal Corporation. The revised ground rent has been fixed at Rs. 53,84,620 p.a from January 13, 2001 onwards and the same is subject to an increment of 10% after every 10 years. Our Company has filed a writ petition under Article 226 of the Constitution of India against State of Maharashtra bearing no. 401 of 2003 in the High Court at Bombay to challenge the said increase in rent. The High Court vide its order dated March 20, 2003 declared that a senior officer of the Municipal Corporation would be appointed to decide the matter on merits. The High Court further directed our Company to pay 3 installments of Rs. 12.50 lacs each by October 2003. Our Company has paid the said sum amounting to Rs. 37.50 lacs. On December, 6 <sup>th</sup> 2007 our Company has paid Rs. 62.5 Lakhs being the Annual Lease Rental for the period of 5 years commencing from January 13, 2004 to January 12, 2009.			
<b>Properties Leased/ Owned by our Company for residential purpose</b>			
Supreme Pearl, 17th Road, Khar (West), Mumbai	Mrs. Lily Menon	February 1, 2008. (Leave and Licence Agreement)	October 31, 2010
Flat No. 1203, 12th Floor, Jasmine Building, Neelkanth Gardens, Bhaktakavi Shivjibhai Devshi Road, Deonar, Govandi, Mumbai 400 088.	Mrs. Rangamani Madhavan & Mr. K.S. Madhavan	November 13, 2006 (Leave and License Agreement)	Renewal in Process
Flat No. 202, 2 <sup>nd</sup> Floor, Plot No. 14 & 56, Swastik Park, Chembur, Mumbai-400071	M Uma Balasubramanian, Mr. Balasubramania.S (POA-Mr.V.Sithapathi)	May 9, 2007. (Leave and License Agreement)	May 9, 2009
Flat No. 11 & 12, 1 <sup>st</sup> Floor, Kashibhai Navrang Marg, Gamdevi – 400007	Mr. Jaitirth Rao, M Neelambari Rao	May 20, 2007 (Leave and License Agreement)	May 19, 2010
Flat No. 1-201, DN Villa, Vivekanand Marg, Bhubaneshwar – 2	Pravakar Panda, Gyana Panda	August 1, 2008 (Lease Deed)	July 1, 2009
M.I.G, New Prasad Nagar, Near Karolbagh, New Delhi – 100005	Mrs. Pooja Bagri	January 1, 2008 (Lease Agreement)	December 31, 2009
<b>Properties Leased/ Owned by our Company for commercial purpose</b>			
Unit No. 8, Ground Floor and two upper Floors, Corporate Park, Sion Trombay Road, Near Swastik Chambers, Chembur, Mumbai 400 071.	Summer - Ville Investments	December 5, 1996 (Agreement for Sale)	Owned
Thomas Cook Building, 2 <sup>nd</sup> and 3 <sup>rd</sup> Floor, D.N. Road, Mumbai-400 001	Gem Photographic (India) Private Limited	September 16, 2008 (Leave and Licence Agreement)	June 6, 2013
Unit No. 206, 2nd Floor, Kakad Chambers 132, Annie Besant Road, Worli, Bombay 400 018	Garuda Inspection & Engineering Services Private Limited	October 22, 1991 (Agreement for Transfer)	Owned
Unit No. A/101 and 202, Silver	Mr. Antony H. Silva proprietor of	September 14, 1993	Owned

Description of Property	First Party	Date & Type of instrument executed	Maturity of Agreement
Arch building, Sri Nivas Bagadka Marg, Off Tarun Bharat Layout J.B Nagar , Andheri (E), Bombay 400 059	Silvex Development Company	(Deed of Assignment)	
Unit No. A/102, Silver Arch Building, Srinivas Bagadka Marg, Off Tarun Bharat Layout J.B. Nagar, Andheri (E), 400059	Mrs. Nancy Silva	September 14, 1993 (Deed of Assignment)	Owned
Unit A/201, Silver Arch Building, Srinivas Bagadka Marg, Off Tarun Bharat Layout, J.B. Nagar, Andheri (E), 400059	Mr. Sanjay . T. Roy	September 14, 1993 (Deed of Assignment)	Owned
Flat No. 2, Jubilee Court Co-operative Housing Society Ltd., 269 – B, Linking Road, Bandra (West), Mumbai 400 050.	Mr. Dagdoo S. Bhonsale & Dr. Duleep Dagdoo Bhonsale	January 6, 2006 (Leave and License Agreement)	36 months commencing from January 6, 2006 with a initial lock in of 12 months
Seepz SEZ, Andheri, Mumbai	President of India	September 11, 2008	September 10, 2018 (10 years from date of Agreement)
Flat No.4,Torana Co-Op Housing Society Ltd., Andheri Sahar Rd, Bombay	Mrs. Lalita Seetharaman and Mrs. Kalpana Ramaswamy	August 5, 1987 (Agreement of Sale)	Owned
Inorbit Mall, Mindspace, Link Road, Malad (w), Mumbai	Inorbit Malls	October 1, 2008 (Agreement)	December 31, 2008
<b>Gurgaon Branch</b>			
First India Place, Unit 6, Phase 1, Mehroli, Gurgaon	M/s Ansal Properties and Industries Ltd.	September 1, 2005 (Lease Agreement)	(4 years) till August 31, 2009
Apparel House, Sector 44, Gurgaon	Mr. Rajiv Bhatnagar (Apprel Export Promotion Council)	January 4, 2007 (Lease Deed)	January 3, 2016
<b>Nerul Properties leased by our Company for commercial purpose</b>			
Shop No. 04, Nerul Commercial Center Premises Co-operative Society Limited, Plot No. 21, Sector 21 Nerul, Navi Mumbai 400 706	(i) Mrs. Shakuntala P.Jain & (ii) Mr. Prakash C. Jain	November 23, 2006 (Leave and License Agreement) #	59 months commencing from November 23, 2006 with an initial lock in period of 12 months.
Shop No. 05, Nerul Commercial Center Premises Co-operative Society Limited, Plot No. 21, Sector 21 Nerul, Navi Mumbai 400 706	Mrs. Shakuntala P. Jain	November 23, 2006 (Leave and License Agreement) #	59 months commencing from November 23, 2006 with an initial lock in period of 12 months.
Shop No. 06, Nerul Commercial Center Premises Co-operative Society Limited, Plot No. 21, Sector 21 Nerul, Navi Mumbai 400 706	Mr. Prakash C. Jain	November 23, 2006 (Leave and License Agreement)#	59 months commencing from November 23, 2006 with an initial lock in period of 12 months.
Shop No. 07, Nerul Commercial Center Premises Co-operative Society Limited, Plot No. 21, Sector 21 Nerul, Navi Mumbai 400 706	Mrs. Pratap Bai Chandmal Jain	November 23, 2006 (Leave and License Agreement)#	59 months commencing from November 23, 2006 with an initial lock in period of 12 months
<i># The said rent is subject to an escalation of 15% after every 3 years. Mrs. Pratap Bai Jain has given Indemnity stating that all necessary NOCs would be obtained for amalgamation of the shop No 4, 5,6 &amp; 7.</i>			

Description of Property	First Party	Date & Type of instrument executed	Maturity of Agreement
<b>Ahmedabad Branch</b>			
SAKAR III, Opposite Gujarat High Court premises, Samrudhhi Bldg, Ahmedabad	Sunayan Members Association and Bakeri Engineers and Industries Limited	December 5, 1996 (Deed of Allotment)	Owned
Shop No. 30 to 33, Ground Floor, Mouje Changispur, Taluka City, District Ahmedabad	Diamond Co-operative Housing Society Limited and Diamond Infrastructure Private Limited	February 13, 2003 (Agreement of Allotment)	Owned
<b>Gujarat Branch</b>			
106, Maruti Sakalp, Anand-Vidyanagar Road, Anand	Seemaben.S.Patel Mr. Shambhubhai.V.Patel	September 1, 2008 (Lease Deed)	August 31, 2011
<b>Goa Branch</b>			
Dayanand Bhandodkar Marg, Panaji, Goa.	Alcon Real Estates Private Limited	September 10, 2001 (Deed of Sale)	Owned
Ground floor, Bhutten Bhatt Mercedes, Ilhas, Goa (Godown)	Mrs. Filomena Joao	August 1, 2008 (Leave and License Agreement)	June 30, 2009
Shop No. 4, Mabai Hotel Building, Opp. Municipal Garden, Goa.	Mr. A. N. Kharangate	November 15, 2006 (Deed of Lease)	November 14, 2009
Shop no S-47, S-48 and S-49, Block D, Brisa Complex, Calangute, Goa	Mr. John D'souza	June 25, 2006 (Leave and License)	June 24, 2010
C/o State Bank of India, Hotel Orfil, Ground Floor, Calangute Market, Calangute, Bardez, Goa	State Bank of India	January 1, 2007 (Agreement)	December 31, 2008
<b>New Delhi Branch</b>			
Hotel Janpath, Janpath, New Delhi 110001	India Tourism Development Corporation Limited	January 12, 2006 (Licence Deed)	December 31, 2008
1st Floor, Plot No. 221, Block 'S', Greater Kailash – II, village Bahapur, Delhi	M/s. Kinetic Constructions Pvt. Ltd.	March 24, 1990 (Agreement to sell)	Owned
Flat No. 717, 7 <sup>th</sup> Floor, 10 <sup>th</sup> level, International Trade Tower of M/s. Nehru Place Hotels Pvt. Ltd. , Nehru Place, New Delhi.	Mr. Chaman Lal Manga & Mrs. Rajkumari Manga	May 22, 2008 (Lease Deed)	June 30, 2013
718, International Trade Towers of M/s. Nehru Place Hotels Pvt. Ltd, Nehru Place, New Delhi. Nehru Place	Ms. Reeta	May 22, 2008 (Lease Deed)	June 30, 2013
C-33, part of 1 <sup>st</sup> Floor, & Mezannie area (between Ground & 1 <sup>st</sup> Floor) Connaught Place, New Delhi.	Mr. Baij Nath	April 9, 2007 (Lease Agreement)	May 31, 2015
1 <sup>st</sup> Floor, 85-A, Rishya Mook Building, Panchkuin Road, New Delhi	Seth Associates Pvt. Ltd, Radhey Lal Sheth & others	January 4, 1989 (Agreement to Sell)	Owned
<b>Pune Branch</b>			
Shop No. 13, Ground Floor, Thackers House, General Thimayya Road, Pune Cantonment	M/s. Thackers & Parmar Properties Pvt. Ltd.	December 31, 1987 (Agreement for sale)	Owned

Description of Property	First Party	Date & Type of instrument executed	Maturity of Agreement
Office No. 201, 2 <sup>nd</sup> Floor, Gulmohar Apartment, 2420, General Thimayya Road, (East Street), Pune.	M/s. Vishwamitra & Rathi	December 2, 2006 (Leave & License Agreement)	December 1, 2009
Basement No. 11, Thackers House , General Thimayya Road, Pune Cantonment	Mrs. Meena Mahendra Parkar	April 7, 1995 (Agreement for sale)	Owned
Ground Floor, Hotel Suryakiran Building, Dr Bhonsle Estate, C-8, Mumbai-Pune Road, Chinchwad, Pune	Suryakiran Theatres and Hotels Pvt. Ltd.	August 1, 2006 (Leave & License Agreement)	Renewal in Process
<b>Rajasthan Branch</b>			
Flat No.22 S, Block No.22 S, Chowpasni, Jodhpur	The Rajasthan Housing Board	December 13, 2005 (Perpetual Lease)	Lease in Perpetuity commencing from August 5, 2005
Level No. 2B, Ground Floor, Jaipur Towers – 2AB, M.I.Road, Opp. All India Radio, Jaipur	Mr. Ashok Raj Singhi HUF	May 1, 2005 (Lease Deed)	April 30, 2011
Level No. 2A, Ground Floor, Jaipur Towers – 2AB, M.I.Road, Opp. All India Radio, Jaipur	Mrs. Nirmala Ashok Raj Singhi	August 17, 2005 (Lease Deed)	6 years commencing from May 1, 2005 with an initial lock in of 3 years
<b>Kerala Branch</b>			
Ground Floor (Rear Side), Soundarya Building, Vanchiyoor Village, Trivandrum Taluk, Trivandrum District.	Mr. R. Murugan	August 17, 2005 (Lease Deed)	Renewal in Process
Ground Floor, Building No. VP IX/750, Arynivas, Beach Road, Kovalam PO, Trivandrum	Ms. Beena V	September 23, 2006 (Leave and License Agreement)	36 months commencing from October 1, 2006
Puppukutty Beach Resort, Light House Beach, Kovalam, Trivandrum	Mr. P. Nadarajan	November 1, 2008 (Lease Deed)	11 months commencing from November 1, 2008
1st Floor, right wing, Palal Towers, Ravipuram, M.G. Road, Cochin	Mr. Abraham Varghese	March 1, 2005 (Lease Agreement)	66 months commencing from July 1, 2004
6A, Kailash Building, Near SBT Kottayam Main Branch, Kottayam 686001	Mr. K.M. Shaine	May 15, 2008 (Lease Deed)	May 14, 2017
<b>Mangalore Branch</b>			
Rama Bhavan Complex, Govind Pai Circle, Mangalore	Mr. Ramkrishna Nayak, Mr. Narendra Nayak, Mr. Ravindra Nayak	April 1, 2008 (Lease Deed)	March 31, 2014
<b>Visakhapatnam – Andhra Pradesh Branch</b>			
Eswar Plaza , Door No. 47-14 -7, Ground Floor, Dwarakanagar Visakhapatnam	Mr. Mentreddi Narasinga Rao and Mr. Mentreddi Venkat Sunil	February 4, 2004 (Deed of Lease)	9 years commencing from December 1, 2003.
<b>Varkala Branch</b>			
Kerela Bamboo House, One Small Cottage, Near Cliff, varkala	Mr. Lalkarinkada Pushkaran	November 1, 2007 (Lease Deed)	Renewal in Process
<b>Thane Branch</b>			
Shop No. 5, Abhimaan II,	Mrs. Vrushali V Joshi	September 28, 2006	48 months

Description of Property	First Party	Date & Type of instrument executed	Maturity of Agreement
Teen Hath Naka, Thane		(Leave and License Agreement) **	commencing from October 1, 2006 with an initial lock in of 24 months
Shop No. 6, Abhimaan II, Teen Hath Naka, Thane	Mrs. Sangeeta M Sapkal	September 28, 2006 (Leave and License Agreement)**	48 months commencing from October 1, 2006 with an initial lock in of 24 months
Shop No. 7, Abhimaan II, Teen Hath Naka, Thane	Mrs. Sangeeta M Sapkal and Mr. Sameer V Joshi	September 28, 2006 (Leave and License Agreement)	48 months commencing from October 1, 2006 with an initial lock in of 24 months
<b>** Our Company has also executed an Agreement for providing amenities for which our Company is paying an amount of Rs. 0.01 million to Mrs. Vrushali Joshi.</b>			
<b>Agra Branch</b>			
G-1, Ground Floor, 18/165 Crystal Tower, Fathehabad Road, Agra	Mr. Laxmandas Goel	June 8, 2005 (Deed of Lease)	9 years commencing from June 8, 2005 with an initial lock in period of 12 months.
<b>Bangalore Branch</b>			
Indian Institute of Science, Bangalore-560012 (IISC)	Indian Institute of Science, Bangalore	January 1, 2008 (License Agreement)	3 years commencing from January 1, 2008
Building No.70 & 70/1, Mahatma Gandhi Road, Municipal division No. 60, Bangalore.	M/s. Mahesh Investments	October 30, 2006 (Lease Deed)	5 years commencing from October 1, 2006
International Tech Park, Unit No. 12, Whitefield Road, Bangalore 560066	Information Technology Park Limited	July 17, 2001 (Indenture of Sale)	Owned
Flat No. S- 125, 2 <sup>nd</sup> Floor, Front Portion, Pancsheel Park, Dayanand Marg, New Delhi 110 049	Mrs. Madhu Charoria	June 1, 2008 (Lease Deed)	44 Months Commencing from June 1, 2008
The Pavilion, 62 & 63, MG Road Bangalore-01	Puravankara Projects Limited	January 61, 2006 (Lease Deed)	January 15, 2015
No.714, Chowdappa Building, Belthoor Colony, Opposite Government College, Bangalore-67	Mr. Chowdappa	August 15, 2006 (Lease Deed)	Renewal in Process
<b>Baroda Branch</b>			
Shop No. 1, 2 & 3 , Ground Floor, Landmark Building, Race Course Road, Vadadora	Lisa Finvest Pvt. Ltd.	January 4, 2005 (Deed of Lease)	9 years commencing from February 1, 2005
<b>Cochin Branch</b>			
Door No. 39/1939, 3 <sup>rd</sup> Floor, "Nabeel Plaza", M.G. Road, Pallimukku, Emakulam-16	Mr. Rayamarakkar Veettil Puthenpurayil Nassar	April 17, 2004 (Lease Deed)	10 Years commencing from April 17, 2004
<b>Orissa Branch</b>			
130, Ashok Nagar, Janpath, Bhubaneswar	Mr. B.S. Jena	December 23, 2003 (Deed of Lease)	9 years commencing from January 1, 2004
<b>Kannur Branch</b>			

Description of Property	First Party	Date & Type of instrument executed	Maturity of Agreement
Building No. 5/3283 – A-11, 12, 13, 14 & 15, Ground Floor, Sky Tower, Block No. 18 of ward No. 5, Kasba Village, Kozhikode	Pallipurath Musthafa Moosa & Others	November 1, 2006 (Deed of Lease)	9 years commencing from November 1, 2006
<b>Kolkata Branch</b>			
Flat Nos. 304, 2nd Floor, SDF Building, Salt Lake Electronics Complex, Sector – V, Bidhannagar	West Bengal Electronics Industry Development Corp. Limited	February 12, 1996 (Deed of sub lease)	90 years
Complex Block EP and GP, Plot No. IX-16, Salt Lake, Electronic Complex, Kolkota-700091	Shri Nilesh Toshniwal (Dhanashri Electronics Limited)	March 30, 2006 (Lease Deed)	April 14, 2015
378, Lake Gardens, 1 <sup>st</sup> Floor, Kolkota-700045	Mr. Arijeet Banerjee	22nd April 2008 (Lease Deed)	Lease for a term of 9 years
Flat (eastern portion), 1 <sup>st</sup> Floor, premises No. 19B, Shakespeare Sarani, Kolkata	Jeena & Co.	June 24, 2002 (Conveyance)	Owned
<b>Kozikhode Branch</b>			
Sky Tower, Building 5, Ground Floor, Kozhikode	K.C.Taha	November 1, 2006 (Lease Deed)	October 30, 2015
<b>Coimbatore Branch</b>			
City Center, East Arokeya Sami Road, R.S Puram, Coimbatore – 2	Mr. K. Anantnarayan	May 1, 2008 (Lease Deed)	April 30, 2017
<b>Chandigarh Branch</b>			
Show room No. 28-30, Ground Floor, Sector 9-D, Chandigarh	Mr. Paramjit Singh	February 14, 2008 (Lease Deed)	February 15, 2017
<b>Chennai Branch</b>			
Southern side, Ground Floor, K.R. Buildings, Old No. 124 – A, (New No. 12), L.B. Road, Adyar, Chennai	Mr. K.R. Mohan Ram	December 1, 2004 (Deed of Lease)	9 years commencing from November 1, 2004
Shop No. 1 & 2, Ground Floor, Shop No. 3, basement, Ceebros Centre, Door No. 45, Montieth Road, Egmore, Chennai	Ali's Family Trust	January 10, 2003 (Deed of Lease)	10 years commencing from May 1, 2002
Ground Floor, ELDORADO, Nungambakkam High Road, Chennai	M/s. Kumarnath & Co.	January 1, 2007 (Deed of Lease)	December 31, 2008
Ground Floor, 2 shops, Spencer Plaza, Anna Salai, Chennai	Mrs. Afroz Begum & Ms. Madeena Maheen	January 31, 2006 (Lease Deed)	9 years commencing from March 1, 2006
20 Rajaji, George Town, Chennai- 600 001	Dharmamurti Rao Bahadur Calavala Cunnan Chetty	November 14, 2005 (Lease Deed)	Renewal in Process
Door No:15, Vel Amrutha Tower, Nallanna Mudali Street, Mr. J. Murali Royapettah, Chennai – 600014	Mr. J. Murali	October 10, 2006 (Lease Deed)	October 9, 2009
<b>Kanayannur Branch</b>			
Ground Floor, Kanoos Central	Mr. K.S. Kader	April 21, 2006	9 years commencing

Description of Property	First Party	Date & Type of instrument executed	Maturity of Agreement
Arcade Building, Kanayannur		(Deed of Lease)	from April 1, 2006
<b>Hyderabad Branch</b>			
Block No. 'A', 1st Floor, Nasir Arcade, Saifabad, Hyderabad	Kumari G. Soumya Reddy represented by guardian	May 10, 1993 (Lease Deed)	September 30, 2014
Ground Floor, Madhapur village, Serilingampally Municipality, Ranga Reddy, Andhra Pradesh.	L & T Infocity Limited	October 15, 1999 (Deed of Sale)	Owned
1Q4-A1 Cyber Towers, Hi-Tech City, Madhapur, Hyderabad 500 033	L&T Infocity Limited	October 15, 1999 (Deed of Sale)	Owned
Unit No. 4, Nasir Arcade, Ground Floor, Saifabad, Hyderabad	Illyas Hussain & Shoukat Fathima	January 1, 2008 (Lease Deed)	Renewal in process
C, 1st floor, Nasir Arcade, Saifabad, Hyderabad - 04	Mr. Abdul Majeed and Abdul Mujeeb Jafferri	January 11, 2001 (Lease Deed)	July 2, 2009
6-1-57/A, Nasir Arcade, Saifabad, Hyderabad-4	Mr. Padmanabha Reddy	October 1, 2007 (Lease Deed)	September 30, 2013
<b>Vijaywada Branch</b>			
Door No. 39, 1-68A Labbi Peth, M.G. Road, Vijaywada-520010	Mr. Syed Ashif	March 1, 2008 (Lease Agreement)	February 28, 2011
<b>Indore Branch</b>			
UG 9, Upper Ground Floor, Yashwant Niwas road, Royal Gold	Smt. Kamlesh	March 30, 2006 (Lease Deed)	February 28, 2015
UG 1, Upper Ground Floor, Yashwant Niwas road, Royal Gold	Mr. Ashokji Huriya	March 1, 2006 (Lease Deed)	Nine Years commencing from March 1, 2006
<b>Guwahati Branch</b>			
GS-2 & GS-4, Divine Plaza, G.S. Road, Near New Secretarial, Guwahati	Mrs. Karabi Buragohain Dutta	November 20, 2008 (Lease Deed)	Nine years commencing from December 1, 2008
<b>Overseas Branch Office (Sri Lanka)**</b>			
Ground Floor, Unit No. 393, Union Palace, Colombo	The Young Womens Christian Association of Colombo	June 9, 2005 (Indenture of Lease)	5 years commencing from June 1, 2005*
*If our Company upon expiration or sooner determination of the term fails to give peaceful possession of the property, it shall be liable to pay liquidated damages to the tune of Rs. 1 lacs.			
** Our Company has obtained RBI Approval dated December 30, 2000 for acquiring business (branches) of Thomas Cook Overseas Limited ("TCOL") in Lanka.			

### Details of various Properties of erstwhile LKP Forex Limited

Erstwhile LKP Forex Limited which has merged with our Company has various owned/leased properties used for commercial purposes, details of which are given below:

Description of Property	First Party	Date & Type of instrument executed	Maturity of Agreement
<b>Commercial Properties of erstwhile LKP Forex (now merged with our Company)</b>			
<i>Erstwhile LKP Forex Limited has executed a Leave &amp; License Agreement with LKP Merchant Financing Limited for the below mentioned properties:</i>			
Shop No. 18 & 19, Mardia Plaza, CG Road, Ahmedabad	LKP Merchant Financing Limited	May 31, 2002 (Leave & License)	Renewal in Process
5, Lower ground floor, Alfa	LKP Merchant Financing	May 31, 2002	Renewal in Process

estate, G.T. Road, Jalandhar	Limited	(Leave & License)	
Shop No. 1, Mahavir Complex, 184, Ajit Colony, Jodhpur	LKP Merchant Financing Limited	September 1, 2007 (Leave & License)	Renewal in process
Shop No. 1/2, Rangniwas, Hotel Compound, Lake Palace Road, Udaipur	LKP Merchant Financing Limited	May 31, 2002 (Leave & License)	Renewal in Process
<b>Chennai Branch</b>			
Shop No. 3, Ground Floor, TNHB Plaza, II Avenue, Anna Nagar, Chennai.	Mrs. B. Sripriya	May 31, 2007 (Deed of Lease)	44 months commencing from June 1, 2007
<b>Bangalore Branch</b>			
Unit No. G – 6, Ground Floor, Salarpuria Money Centre, Koramangala Industrial Layout, Bangalore.	Mrs. Renu Choudhary	September 16, 2004 (Lease Deed)	5 years commencing from September 16, 2004 with an initial lock in of 36 months
<b>Mysore Branch</b>			
Ground Floor, Ashoka Road, Lashkar Mohalla, Mysore	M/s. Silver Towers	September 14, 2002 (Lease Agreement)	Renewal in process
<b>Baroda Branch</b>			
121, Dwarkesh Complex, RC Dutt Rd, Alkapuri, Baroda	Brijesh Kumar Goswami	May 6, 2007 (Lease Agreement)	May 7, 2010
<b>Ahmedabad Branch</b>			
Shop No. G-2, Sukh Chain Complex, Radhavallabh Colony, Jawahar Chowke, Maninagar, Ahmedabad	Mrs. Urvashi Sanjay Vyas	April 26, 2008 (Leave and Licence)	April 25, 2009
<b>Pondicherry Branch</b>			
Ground Floor No.2A, Labour Donnais Street, Pondicherry	Mr. J. Gilles Maria Dassou & Mrs. Celine Maria Dassou	January 29, 2000 (Agreement of Lease)	Renewal in process
32, Thamizhmagal Street, Rajiv Gandhi Nagar, Pondicherry (Godown)	Mr. A. Harigovinda	September 30, 2008 Letter of Renewal	September 30, 2010
<b>Vishakhapatnam Branch</b>			
Shop No. 14, Level-1 at Sri Satya Surya Complex Dwarakanagar, Visakhapatnam	Mr. Nunna Venkateswara Rao	June 1, 2006 (Agreement of Lease)	4 years commencing from February 1, 2006
<b>Agra Branch</b>			
Ground Floor, Amar Yatri Niwas, 181/1, Tourist Complex, Fatehabad Road, Agra	M/s. Singh Hotels Pvt. Ltd	September 2004 (License Agreement)	5 years commencing from November 1, 2004
<b>Lucknow Branch</b>			
1st Floor, JJ Market, Plot No. 31/69, M.G.Road, Hazratganj, Lucknow	Shri Amir Jilani & Shri Saif Jilani and Shri Junaid Jilani Yusuf	October 13, 2008 (Lease Agreement)	March 31, 2017
<b>Dehradun Branch</b>			
1st Floor, 67/3, Rajpur Road, Dehradun	Mr. Shadi Lal Tandon & Mr. Neeraj Kumar Tandon	July 22, 2005 (Lease Deed)	6 years commencing from July 1, 2005
<b>New Delhi Branch</b>			
2 <sup>nd</sup> Floor, 38, Basant Lok, Vasant Vihar, New Delhi	Mr. Shivcharan Singh Lamba	February 1, 2007 (Lease Deed)	Renewal in process
½ portion of Basement Floor, 24, Central Market, Punjabi Bagh, New Delhi	Mrs. Madhu Bansal and others	April 14, 2004 (Lease Deed)	April 14, 2010
<b>Haryana Branch</b>			
SCF -97, 1st Floor, Marketing Complex, Sector – 14,	Mr. Arun Singh	May 4, 2005 (Lease Deed)	6 years commencing from May 1, 2005



Gurgaon, Haryana			
<b>Noida Branch</b>			
1 <sup>st</sup> Floor, J-24, Sector -18, Noida, Uttar Pradesh	Mrs. Kamla Devi	May 6, 2005 (Lease Deed)	6 years commencing from May 1, 2005
<b>Jaipur Branch</b>			
1st Floor, Sunil Sadan, M.I. Road, Jaipur	Mrs. Neerja Goyal & Mrs. Anju Goyal	June 1, 2008 (Letter of Renewal)	July 31, 2012
<b>Pushkar Branch</b>			
Shriya Guest House, Pushkar – 305022	Bhanwar Lal Shriya & Bal Mukund Shriya	May 1, 2006 (Lease Deed)	6 years commencing from May 1, 2006
<b>Jaisalmer Branch</b>			
Shop No.1, Commercial Complex House No.4814, Gandhi Chowk, Jaisalmer	Dr. Jeetendra Singh	April 1, 2004 (Licence Deed)	March 31, 2010
<b>Ludhiana Branch</b>			
SCO – 32, Feroze Gandhi Market, Ludhiana	S. Kanwaljit Singh Monga & others	December 1, 2003 (Lease Deed)	Branch is closing by December 31, 2008
<b>Patiala Branch</b>			
Ground Floor, Leela Bhawan Market, Patiala	Jaswinder Singh & Surinder Kaur	April 28, 2004 (Lease Deed)	6 years commencing from April 1, 2004
<b>Kangra Branch</b>			
Shop No. 20, facing Main Bazaar, Ground Floor, Runchal's Mount View Complex, McLeod Ganj, Tehsil Dharamsala, Kangra	Dr. Akshai Kumar Runchal	April 16, 2004 (Deed of License)	5 years commencing from April 15, 2004
<b>Leh Branch</b>			
Shop No. 1, 1st Floor, Samkar Gonpa Complex, Main Bazaar, Leh,	Ven Kushok Bakula	December 1, 2004 (Lease Deed)	9 years commencing from January 1, 2005.
<b>Punjab Branch</b>			
Indian Bank building, G T Road, Phagwara, Punjab	Sardar Paramjit Singh	December 3, 2004 (Lease Deed)	6 years commencing from December 1, 2004
<b>Amritsar Branch</b>			
Shop No. 1, 1st Floor, R S Tower, 107/1 Hall Bazaar, Amritsar	M/s. R S Builders	March 2, 2005 (Lease Deed)	9 years commencing from March 1, 2005
<b>Guwahati Branch</b>			
Shop No. 15, Ground Floor, Jayanta Commercial Complex, Panchawati, G.N.B. Road, Silpukhuri, Guwahati.	Mr. Subrata Hazarika	June 17, 2004 (Lease Deed)	6 years commencing from July 1, 2004
<b>Goa Branch</b>			
Money Exchange Counter, Calangute Residency, Goa	Goa Tourism Development Corporation Ltd.	September 1, 2006 (License Agreement)	August 31, 2009
Money Exchange Counter, Colva Residency, Goa	Goa Tourism Development Corporation Ltd.	September 1, 2006 (License Agreement)	August 31, 2009
Counter, next to locker room, Opp. Reception cabin, Palolem beach Resort, Palolem, Canacona, Goa	Mr. Dilip Gaitonde	December 16, 2007 (Agreement of Lease)	Renewal in Process
<b>Mumbai Branch</b>			
Ground Floor, Sterling Centre, Andheri Kurla Road, Andheri (E), Mumbai	Mr. Rajendra Singh Sethi	December 15, 2007 (Leave & License)	September 14, 2010

Unit No. 39, Ground Floor, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai.	Mr. Mittal G. Patel	February 1, 2008 (Leave & License)	October 31, 2010
Shop No. 2, Ground Floor, Delphi wing –A, Hiranandani Business Park, Mumbai.	Dean Finance and Investment Pvt. Ltd.	February 22, 2005 (Leave & License)	Renewal in process
<b>Pune Branch</b>			
Hotel Tamanna Executive, Plot No. P-7, Pune Infotech Park, Opp. Infosys, Hinjewadi, Pune.	Mr. Prabhakar Shetty	May 1, 2007 (Leave & License)	Renewal in Process
Ground Floor, ICC Trade Towers, Pune	ICC Realty (India) Private Limited	June 21, 2006 (Leave & License Agreement)	36 months ending on July 9, 2009
<b>Bardoli Branch</b>			
Office No. 122, Millennium Mall, station road, Bardoli.	Pushpaben	May 31, 2006 (Leave & License)	March 31, 2010
<b>Navsari Branch</b>			
101 -102 -103, Anand Complex, Library Road, Near Central Bank, Navsari	Firoz Kasim Kaptan	June 1, 2006 (Leave & License)	May 31, 2009
<b>Jamnagar Branch</b>			
Shop No. 9, Shri Dhan Palace, Near Town Hall, Jamnagar	Farzana Yusuf Rangoonwala	January 1, 2008 (Leave & License)	December 31, 2010
<b>Rajkot Branch</b>			
Shop No. 103, Mani Complex, Dr. Yagnik Road, Near Janakpuri Hall, Rajkot	Mahendrakumar Manilal Khimani	April 1, 2006 (Lease Agreement)	Renewal in process
<b>Bhuj Branch</b>			
Shop No. 2, Lav – Kush Apartment, Hospital Road, Bhuj	Mrs. Ashaben Arvindkumar Shah	October 14, 2004 (Lease Agreement)	Renewal in Process
<b>Surat Branch</b>			
Shop No. UG/1 , upper Ground Floor, Rajhans Plaza, Ghod – dod road, Surat.	Mrs. Meenu K. Arora & Mrs. Upasana R. Arora	October 7, 2004 (Lease Deed)	6 years commencing from October 1, 2004

Agreements of property expiring on December 31, 2008 and in January 2009 are in the process of renewal.

## Intellectual Property

### I. Registered Trademarks of our Company

Our Company has been issued the Certificate of Registration by the Trade Marks Registry for registering the following Trade marks:

Sr. No	Trademarks Registered	Registration No.	Class	Validity
1.	Family Care	1208821	16	June 24, 2013
2.	Family Care	1306833	36	September 3, 2014
3.	Corporate Care – Overseas Corporate Travel Insurance	1201211	16	May 26, 2013
4.	Global Money	1369012	36	July 5, 2015
5.	Power Money	1369011	36	July 5, 2015
6.	Travel Power	1369014	36	July 5, 2015
7.	Travel Care – Overseas Travel Insurance	1116635	16	July 5, 2012
8.	TravelPerks	1289532	36	June 11, 2014



9.	Travel Care	1306835	36	September 3, 2014
10.	TravelPerks	1306831	16	September 3, 2014
11.	Scholarcare	1289531	36	June 11, 2014
12.	Corporate Care	1306834	36	September 3, 2014

## II. Trademarks pending registration with the Trademark Registry

Our Company has made following applications to the Trade Marks Registry for registrations (which are *pending*) of various trademarks:

Sr. No	Trademarks Applied & Pending	Application No.	Class
1.	100% Holidays	1463814	39
2.	Thomas Cook (India) Ltd 100% Holiday	1469677	39
3.	Global Getaways	1299968	39
4.	Holidays Unlimited	1299969	39
5.	Best Holidays Honest Prices	1299970	39
6.	Scholarcare	1306832	16
7.	Global Funds	1369013	36
8.	Smartforex	1576806	36
9.	Smartforex	1577454	39
10.	Yatra Care	1208886	16

## III. Trademarks Agreement

We have detailed below the key provisions of certain agreements for usage of certain trademarks by our Company:

### 1. Trademark License Agreement – Thomas Cook

Pursuant to a Trademark License Agreement (“Agreement”) dated March 29, 2006 executed by and between our Company and TCUK, TCUK has granted our Company a non-exclusive, a non-assignable license to use the Trademark “Thomas Cook”, Trade Name, Domain names and Logo (“Trademarks”) (which is registered in the name of TCUK), in connection with the Permitted Business (more specifically set out in the said Agreement) and the Corporate Name. The said Agreement is valid for a period of seven (7) years commencing from March 29, 2006 to March 28, 2013 which is renewable for a further period of seven (7) years. The salient features of this Agreement are as follows:

- a) Territories included under the Agreement are Republic of India, Mauritius, Bangladesh, Nepal, Sri Lanka, Kingdom of Bhutan, Seychelles, Maldives, Myanmar, Pakistan
- b) Our company will not use any trademarks as set out in the Agreement in combination with any other Trademark without the prior written consent of Thomas Cook UK Limited
- c) Our Company may use the Trademarks with the new name of our Company during the cessation period for the sole purpose of notifying the public of its change of brand and Company name with the prior written approval of Thomas Cook UK Limited.
- d) Our Company will not grant any sub-licence of its rights or obligation under this Agreement except as stated therein

## 2. Trademark Licensing Agreement – (erstwhile LKP Forex)

Pursuant to a Trademark Licensing Agreement (“Agreement”) dated February 07, 2007 executed by and between our Company and LKP Merchant, LKP Merchant has granted our Company an exclusive and non-transferable license and right to use the Trademarks given below along with a right to sub-license and / or otherwise deal with the same for a term of two (2) years commencing from February 07, 2007:

Sr. No	Trademark	Class	Country	Goods/ Services
<b>Registered Trademark</b>				
1.	LKP Forex	16	India	Stationery Article
<b>Trademarks Pending Registration</b>				
1.	LKP Forex	36	India	Financial & monetary affairs including money changing services
2.	LKP Forex	39	India	Travel & transport arrangement including organizing tours

### Deed of Assignment of Trademark

Pursuant to Trademark Licensing Agreement (“Assignment Deed”) dated February 07, 2007 executed by and between our Company and LKP Merchant, LKP Merchant after the completion of the term of two (2) years as agreed in the Trademark Licensing Agreement dated February 07, 2007 executed between our Company and LKP Merchant, LKP Merchant vide the said Assignment Deed which is annexed to the Trademark Licensing Agreement, have assigned, conveyed and transferred its entire right, title, claim and interest, benefit, goodwill in and to the trademark and all rights which LKP Merchant had enjoyed there under to our Company.

LKP Merchant under the said Assignment Deed agrees that notwithstanding the provisions of the Copyright Act, 1957 all assignments granted or to be procured under the said Assignment Deed shall not lapse or revert to LKP Merchant, even if our Company does not exercise any of the rights under the assignment within a period of one (1) year from the date of the said Assignment.

Sr. No	Trademark	Class	Country	Goods/ Services
<b>Registered Trademark</b>				
1.	LKP Forex	16	India	Stationery Article
<b>Trademarks Pending Registration</b>				
1.	LKP Forex	36	India	Financial & monetary affairs including money changing services
2.	LKP Forex	39	India	Travel & transport arrangement including organizing tours

## IV. Registered Domain Names

Our Company has the following domain names which have been registered in the name of their respective administrators, details of which are given below:

- a. www.aircenter.in
- b. Thomascook.co.in
- c. Thomascook.in
- d. 100percenttravel.com
- e. 100percenttravel.co.in
- f. 100percenttravel.in

### Purchase of Property

The company has no plans to purchase or acquire any property. Therefore, the net proceeds of the present Issue will not be issued for purchasing any property.



## Insurance

Our Company has insurance coverage, which it considers adequate to cover all normal risks associated with the operation of the business. Our Company has availed the below mentioned insurance policies from various Insurance Companies all of which are valid and subsisting till date. The Company believes that its current level of insurance coverage is in line with industry norms in India.

Sr No	Policy Number	Insurance Company	Risk Covered	Sum Insured (Rs. Lacs)	Valid upto
<b>Directors &amp; Officers Insurance Policies</b>					
1.	2300002046	Tata AIG General Insurance Company Limited	Directors & officers liability & Company reimbursement policy	5,000.00	May 7, 2009
<b>Burglary Policies</b>					
2.	111700/48/2008/782	The Oriental Insurance Company Limited	Burglary Policy	6,329.12	December 31, 2008
<b>Tour Operator's Public Liability</b>					
3.	111700/48/2008/784	The Oriental Insurance Company Limited	Any One Accident (AOA) Any One Year (AOY)	2,000.00 1,000.00	December 31, 2008
<b>Fire Insurance</b>					
4.	111700/11/2008/159/001	The Oriental Insurance Company Limited	Standard Fire and Special Perils Policy	8,227.87	December 31, 2008
<b>Special Contingency Policy</b>					
5.	111700/48/2008/90001	The Oriental Insurance Company Limited	Cash in transit Fidelity guarantee worldwide (AOA) Fidelity guarantee worldwide (AOY) Marine Accompanied baggage containing foreign currency All risk cover for neon sign boards, mobile phones, laptops and projectors	2,500.00 2,500.00 2,500.00 600.00 600.00 300.00	December 31, 2008

## Environmental Aspects

Our Company belongs to a non-polluting industry.

## Employees

As of November 30, 2008 our Company had 1,849 employees:

Particulars	Number of Employees
Top Management Personnel	9
Middle Management Personnel	272
Lower Management Personnel	1,541
Clerical & Subordinate Personnel	27
<b>Total</b>	<b>1,849</b>

## Recruitment Strategy

Our recruitment strategy is to attract the best talent in the market by ensuring selection of staff with desired skill sets to suit the structure, culture and values of our Company. The recruitment philosophy of our Company aims at industry quality talent at all levels in the organization. The quantum of recruitment is linked to budgeted vacancies



and expansion plans. The selection process is stringent and encompasses multiple hurdles such as written test, group discussions, personal interviews and sometimes psychometric testing too. Pre-employment reference checks and medical tests ensure that only suitably fit personnel are taken on board.

To develop talent at the frontlines, the Company recruits fresh graduates under a structured manpower development program called Thomas Cook Executive Trainee Program (TCETP). All the new recruits are given structured training inputs and after successful completion of training, they are absorbed in the Executive cadre of employees.

In our continued endeavor to build leadership at the Middle Management level, the Thomas Cook Middle Leadership Program (TCMLP) was conceptualized. This is a fast track growth program where young professionals with management qualification are trained in all the businesses of our Company, coached and suitably mentored to take on positions in the Middle Management of our Company within a year of joining. These candidates form part of the talent pool which would support the organization's ambitious growth plans.

### **Retention and Training Strategy**

Through a Leadership Assessment exercise, the Company has identified high calibre and potential employees to take over senior management positions in our Company in future. Compensation is a major driver of performance. Our Compensation is competitive and benchmarked with a select group of companies from the service sector.

Our Company is committed to develop capabilities to enhance its leadership in the talent domain. Areas for focus have been leadership development, sales focus, business acumen and quality of service. To enhance business acumen of key performers, our Company offers fully sponsored Master's of Business Administration ("MBA") education for select employees. Our Company conducts "Voice of Employees", an employee engagement survey which brought to the fore key perceptions of employees, which are transformed to a concrete action plan.

### **Employee Relations**

Our relation with our employees continues to be peaceful and cordial. Our Company entered into a settlement with the internal workmen staff Union i.e. All India Tourist & Travel Employees Association for a period of three years, as per practice. Our Company is taking effective steps to meet the challenges of market opportunities, staying ahead of competition, upgrade technology, training and developing human resources. While we consider our current labor relations to be good, there can be no assurance that we will not experience future disruptions in our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

## FINANCIAL INDEBTEDNESS

The following table sets out the details of financial indebtedness of our Company as per the Bank Statements:

Sr. No.	Name of Lender	Date of Sanction	Purpose	Rate of Interest	Securities offered	Sanction Amount (Rs. in Lacs)		Outstanding Amount as on December 18, 2008 (Rs. in Lacs)	
						Funded	Non-funded	Funded	Non-funded
1	HSBC Ltd	October 13, 2008	To meet working capital requirements	Cash Credit at PLR currently 15.50%	Unsecured	1,140	500	264	179
				Other short term loans including factoring	Unsecured	1,060	--	--	--
2	Standard Chartered Bank	August 16, 2007	To meet working capital requirements	WCDL / Overdraft currently at 11%	Unsecured	1,000	500	269	--
3	HDFC Bank Limited	April 4, 2006 & Oct 4, 2008	To meet working capital requirements	12% for Rs.1,500 Lacs and 14.50% for Rs.1,000 Lacs	Unsecured	2,500	--	45	--
4	State Bank of India	December 14, 2007	To meet working capital requirements	Cash Credit- at SBAR currently at 13%	Unsecured	5,000	200	37	137
				FCNRB loans rates currently at 10.98% and 11.21%				4,176	
5	ICICI Bank Limited	Aug 22, 2008	To meet working capital requirements	Cash Credit at ICICI Bank Benchmark Advance Rate minus (2.7% plus 0.5%) / WCDL	Unsecured	2,000	500	221	240
6	Nova Scotia Bank	July 31, 2008	To meet working capital requirements	Revolving Term Loan currently at 12.35%	Unsecured	2,000	--	2,000	--
7	ABN Amro Bank NV	November 15, 2007	General corporate purpose	PLR loans at mutually agreed rates	Unsecured	5,000	--	5000	--
8	Deutsche Bank AG	May 23, 2008	To meet working capital requirements	Overdraft- At 13.50%	Unsecured	2,200	--	144	--
9	State Bank of Indore	December 12, 2007	General Corporate Purpose	Short term Corporate Loan PLR minus 2.75% currently at 10.75%	Unsecured	2,500	--	2,500	--

10	State Bank of Indore	November 20, 2008	General Corporate Purpose	Short term Corporate Loan PLR plus 0.50% currently at 14%	Unsecured	5,000	--	5,000	--
11	BNP Paribas	November 3, 2008	To meet working capital requirements	Overdraft at 14%	Unsecured	1,000		63	--
12	IDBI Bank	December 1, 2008	To meet mismatch in cashflow	PLR plus 0.50% currently at 14%	Unsecured	5,000		5,000	
13	Kotak Mahindra Primus Limited	At various dates	5 Car Loans	Various	Secured		--	2	--
				<b>Total</b>		<b>35,400</b>	<b>1,700</b>	<b>24,721</b>	<b>556</b>

Note: In addition to above, our Company has placed 2 unsecured commercial papers of Rs. 1,000 Lacs each with Allahabad Bank at interest rate of 14.50% p.a





## REGULATIONS AND POLICIES

The following are the major regulations and policies applicable to our Company:

### ***Foreign exchange operations***

Our Company has been granted an authorized dealers' license (category II) by RBI to deal in foreign exchange through our designated branches. Under this license, we have been granted permission to undertake specified activities.

The activities permitted by RBI are carried out only at the specific locations permitted by RBI. As an authorized dealer, we are a member of the Foreign Exchange Dealers Association of India, which is a self-regulatory organization for foreign exchange business in India.

### ***Prevention of Money Laundering Act, 2002***

The Indian Parliament had enacted the Prevention of Money Laundering Act in 2002. Effective July 1, 2005, the provisions of this Act have come into force. This Act seeks to prevent money laundering and to provide for confiscation of property derived from, or involved in, money laundering. In addition, the applicable exchange control regulations prescribe reporting mechanisms for transactions in foreign exchange and require authorized dealers to report identified suspicious transactions to RBI.

### ***International Air Transport Association (IATA)***

The IATA is the global trade organisation of air transportation, which is one of the most dynamic industries in the world. IATA's mission is to represent, lead and service the airline and travel industry. Its members comprise of airlines representing 94% of the international scheduled air traffic. IATA serves as an intermediary between airlines and passengers by approving and appointing passenger and cargo agents. The purpose of Accreditation of agents is to formally recognize travel agents who are authorized to sell and issue airline tickets of its member airlines.

### ***RBI Approval for setting up Subsidiary, Representative offices and branch office abroad***

We need prior permission of the Reserve Bank of India to incorporate a subsidiary, representative offices and branch office abroad.

### ***Transfer of Property Act, 1882***

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by the operation of law, is governed by the Transfer of Property Act, 1882 ("T.P. Act"). The T.P. Act establishes the general principles relating to the transfer of property, including, among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

### ***Registration Act, 1908***

The Registration Act, 1908 ("Registration Act") has been enacted with the object of providing public notice of the execution of documents affecting the transfer of an interest in immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs. 100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered.

### ***The Indian Stamp Act, 1899***

There is a direct link between the Registration Act and the Indian Stamp Act, 1899 ("Stamp Act"). Stamp duty needs to be paid on all documents specified under the Stamp Act and at the rates specified in the Schedules thereunder. The rate of stamp duty varies from state to state. The stamp duty is payable on instruments at the rates specified in Schedule I of the said Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all.

### ***The Income Tax Act, 1961***

In addition to prescribing regulations for computation of tax liability on income, the Income Tax Act provides that any company deducting tax must apply to the assessing officer for the allotment of a tax deduction account number. Furthermore, the legislation requires every taxpayer to apply to the assessing officer for a permanent account number.

### ***Trade Marks Act, 1999***

The Indian law on trademarks is enshrined in the Trade Marks Act, 1999. Under the existing legislation, a trademark is a mark used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. The trademark once applied for, is advertised in the trademarks journal, oppositions, if any are invited and after satisfactory adjudications of the same, a certificate of registration is issued. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fee.

### ***Service Tax***

Chapter V of the Finance Act 1994 (as amended), and Chapter V-A of the Finance Act 2003 requires that where provision of certain listed services, whole taxable services exceeds Rs. 400,000, a service tax with respect to the same must be paid. Every person who is liable to pay service tax must register himself for the same.

### ***Payment of Gratuity Act, 1972***

The Payment of Gratuity Act, 1972 ("PGA") provides for payment of gratuity, to an employee, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years: (a) on his/her superannuation; (b) on his/her retirement or resignation; (c) on his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply). The PGA establishes a scheme for the payment of gratuity to employees engaged in establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months; and in such other establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months, as the central government may, by notification, specify.

### ***Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965 ("PBA") provides for payment of bonus on the basis of profit or productivity to people employed in factories and establishments employing twenty or more persons on any day during an accounting year. The PBA ensures that a minimum annual bonus is payable to every employee regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. Under the PBA every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or Rs.100, whichever is higher.

### ***Employee's Provident Funds and Miscellaneous Provisions Act, 1952***

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") aims to institute provident funds and pension funds for the benefit of employees in establishments which employ more than 20 persons and factories specified in Schedule I of the EPFA.

### ***The Employee's State Insurance Act, 1948***

The Employees State Insurance Act, 1948 ("ESIA") is applicable to all factories and to such establishments as the Central Government may notify, unless a specific exemption has been granted. The employers in such factories and establishments are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies, which are controlled by the Government, are exempt from the aforesaid requirement if the employees are receiving benefits, which are similar or superior to the benefits prescribed under the ESIA.

### ***The Trade Unions Act, 1926***

The Trade Unions Act, 1926 was enacted to provide for the registration of trade unions and for defining the law in relation to trade unions. This legislation sets out the procedure for registration of trade unions and also provides the rights and liabilities of registered trade unions. The statute also provides immunity to registered trade unions from civil suits in certain cases. This legislation is of great significance for those organizations whose workers have organized and formed registered trade unions.

### ***Shops and Establishments Legislation***

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### ***Foreign Investment Regime***

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act and the rules, regulations and notifications there under, as issued by the RBI from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the FIPB is required for activities to be carried out by foreigners in India. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. At present, foreign investment in companies engaged in Travel related activities and Money changing business falls under the RBI automatic approval route for FDI/NRI investment upto 100%.

### **Other acts applicable to our Company:**

1. Negotiable Instruments Act, 1881
2. The Companies Act, 1956
3. Indian Contract Act, 1872
4. Consumer Protection Act, 1986
5. Copyright Act, 1957
6. Competition Act, 2002

## MATERIAL AGREEMENTS

We have detailed below the key provisions of certain business and other agreements entered into by our Company and our subsidiaries in the normal course of business:

### A] BUSINESS SEGMENTS

#### I. FOREIGN EXCHANGE AND FINANCIAL SERVICES

##### ***Agreement for Restricted Money Changing Business (“RMC”)***

Our Company has executed various Agency agreements (“Agreements”) with various Companies/ Partnership firms/ Individuals whereby our Company is carrying on the business of Restricted Money Changing (RMC i.e. conversion of foreign currency notes, or travellers cheques and other products into Indian rupees as per the card rates forwarded by our Company in accordance with the “Scheme for Authorized Dealers and Full Fledged Money Changers Appointing Agents/ Franchisees for Undertaking Restricted Money Changing” announced by the RBI under notification dated January 12, 2002) through its non-exclusive agents.

##### ***Credit Card Alliance Agreement***

Our Company has executed a Credit Card Alliance Agreement dated December 12, 2006 (“Agreement”) with ICICI Bank Limited, whereby our Company and ICICI Bank are developing, marketing and issuing a co-branded credit card viz Titanium Card and the Gold Card to the customers and selected employees of our Company for using the same at various retail merchant establishments for availing benefits attached to the said cards. The said Agreement is valid till December 11, 2009.

##### ***Travellers Cheque Sales Incentive Agreement***

Our Company has executed a Travellers Cheque Sales Incentive Agreement with American Express Travel Related Services Company, Inc (“AET”) for sale of all forms of American Express’s Travellers Cheques. The said Agreement is valid from May 1, 2004 until terminated by either party.

##### ***Trust Agreement***

Our Company has executed a Trust Agreement with American Express Travel Related Services Company, Inc (“AET”), Travellers Cheque Associated Limited (“TCAL”), Swiss Bankers Travellers Cheque Centre (“SB”) and Southern Africa Travellers Cheque Company PTY Limited (“SATC”) for sale of Travellers Cheques issued by AET (US Dollar, Canadian Dollar, Japanese Yen, Euro and Australian Dollar), TCAL (British Pound Sterling) SB (Swiss Francs) and SATC (South African Rand) respectively. The said Agreement shall remain in force until terminated by either party to the Agreement.

##### ***Foreign Travel Pre- Paid Card Agreement***

Our Company has executed a Foreign Travel Pre-Paid Credit Card Agreement dated August 31, 2005 (“Agreement”) with State Bank of India (“SBI”), whereby our Company is promoting, marketing, advertising, selling and distributing the prepaid Foreign Currency Card viz. “State Bank Vishwa Yatra Foreign Travel Card (“FTC”) introduced by SBI in association with Visa International. The said Agreement was valid till August 30, 2008 and shall continue to be in force for successive 1 (one) year thereafter.

##### ***International Money Transfer Agreement***

Our Company has executed an International Money Transfer Agreement dated January 29, 2004 (“Agreement”) with MoneyGram Payment Systems, Inc (“MoneyGram”), whereby our Company is authorised by MoneyGram to provide Money Transfer Services. Our Company is also provided with transaction software for use in offering the Money Transfer Services. The Agreement is valid till January 28, 2009.

Our Company has also executed a Security Agreement in December 2003, pursuant to which MoneyGram has deposited a Security Deposit in our Company’s account to secure any default, if committed by MoneyGram.



### ***Special Operating and Trademark License Agreement***

Our Company has executed a Special Operating Agreement dated February 15, 2005 ("Agreement") with Visa International Service Association ("Visa International"), whereby our Company is authorised to maintain within India, financial service terminals ("ATMs") at which the VISA, and the Blue, White and Gold bands Design and the Plus service Marks Cards may be used, subject to certain pre- requisites which are mentioned in the said Agreement. The said Agreement is valid till February 13, 2014.

Our Company has also executed a Trademark License Agreement dated February 15, 2005 ("Agreement") with Visa International Service Association ("Visa International"), in furtherance as a pre – condition of the above Special Operating Agreement whereby our Company is using the Marks of Visa International as a special licensee in connection with the Programs set out in the schedule to the said Agreement. The said Agreement is valid till the above Special Operating Agreement is in existence or valid.

### ***Multi Currency Trust Agreement***

Our Company has executed a Multi Currency Trust Agreement dated February 01, 2007 ("Agreement") with Citibank N.A, whereby our Company has been appointed as an independent service provider on a non exclusive basis to sell and distribute throughout India World Money Cards ("WM Card"), introduced by Citibank N.A. for enabling its customers to use these WM Cards all over the world. This Agreement is valid for a period of 36 months from February 01, 2007.

### ***Agreement with Axis Bank White Label prepaid Travel Currency Cards***

Our Company has executed an agreement dated September 5, 2008 ("Agreement") with Axis Bank Limited ("Axis Bank ") whereby our Company and Axis Bank have agreed to issue Axis Bank White Label prepaid Travel Currency Cards - Visa Card ("the Cards") which bears the name, mark and/ or logo of our Company. Our Company has agreed to sell the cards to its Customers and credit the proceeds to Axis Bank's Nostro Account. The said Agreement is valid for three (3) years commencing from the effective date and can be further renewed for another period of three (3) years.

### ***Agreement for Money Changers***

Our Company has executed an undated Agreement ("Agreement") with IDBI Bank Limited ("IDBI") whereby IDBI shall acquire the card transactions done by our Company for the sale of Indian currency. IDBI has enrolled our Company to service cards bearing "Master Card" and "Visa" marks. The Agreement can be terminated by either party by giving thirty (30) days notice to the other party. The Agreement does not provide for validity.

## ***II. TRAVEL & RELATED SERVICES***

### ***Travel Service Agreements***

Our Company has executed various "Travel Service Agreements" with clients whereby our Company provides travel related services including booking services like air tickets, car rentals, travel arrangements etc. These agreements have standard terms and conditions except where the consideration, commission and discounts allowed by us to our clients vary from agreement to agreement. Few of these agreements are in the process of being renewed.

### ***Sales Agency Agreement***

Our Company has executed a Sales Agency Agreement dated November 7, 2008 with IOC Holidays Limited for the purpose of providing sales and marketing services in connection with the cruise packages of IOC Holidays for the Indian Territory. The Agreement is valid upto November 7, 2011.

### ***Agency Agreements (Outbound business)***

Our Company has executed various Outbound Agency Agreements with companies/firms ("Tour Operators") based outside India for procuring travel related business i.e. packages tours, hotel bookings and other travel related services for travellers from India. These agreements have standard terms and conditions except those for



the commission, cancellation charges and term, which vary from agreement to agreement. Few of these agreements are in the process of being renewed.

### ***Agency Contract and Service Level Agreement***

Our Company has entered into an Agency Contract and Service Level Agreement dated October 20, 2006 ("Agreement") with Thomas Cook AG ("TCAG"), whereby our Company is an exclusive representative of TCAG in India for destination management services and is valid till October 31, 2007. The said Agreement has not been renewed by our Company. However, our Company continues to provide their services to TCAG.

### ***MOU with JTB Corp, Japan***

Our Company has executed Memorandum of Understanding (MOU) dated December 13, 07 with JTB Corp, Japan whereby both companies have agreed to expand the sales and marketing tourism business in India and beyond. This agreement is effective from January 1, 2008 and valid for a period of 3 years, renewable 6 months prior to the expiry.

### ***Agreement (Gold Circle Partner)***

Our Company has executed various Agreements with various companies/partnership firms/ Individuals ("Gold Circle Partners") within India wherein Gold Circle Partners are appointed on a non exclusive basis for the promotion, marketing, sale and distribution of the holiday products on our behalf.

### ***Selling Agency Agreements***

Our Company has executed various "Selling Agency Agreements" ("Agreements") with travel and tour agents ("Agents") within India whereby these Agents are appointed on a non exclusive basis for the promotion, marketing, sale and distribution of the Holiday Products ("Products") for and on behalf of our Company in the territory more particularly specified in these Agreements. These agreements have standard terms and conditions except those for the commission, territory and the term which, vary from Agreement to Agreement.

### ***Sales Agent Agreement***

Our Company has executed a Sales Agent Agreement dated July 10, 2008 ("Agreement") with JTB Western Japan Corp ("JTB") whereby our Company has been appointed as authorized agent on non-exclusive basis for JTB Sunrise Tour. The said Agreement is valid from August 1, 2008 to March 31, 2009.

### ***Agreements with Airlines***

Our Company and TCI have executed two (2) agreements with Airline companies viz Qatar Airways and United Airways Inc, whereby TCI and our Company are promoting and selling travel (by way of encouraging the customers to travel on these airlines, selling the tickets of these airlines etc.) on these Airlines and are getting a commission on the flown revenue target, which is more specifically set out in the said Agreement. These agreements, though executed in a different agreement name have standard terms and conditions except where the commission and term vary from agreement to agreement.

### ***Tour Wholesaler Agreement***

Our Company has executed a tour wholesaler agreement ("Agreement") dated June 26, 2008 with Great Canadian Railtour Company Limited ("RMV") whereby TCIL is appointed as an agent for selling tickets on Great Canadian Rail Tour.

### ***Easy Sales Agency Agreement***

Our company ("Agent") has entered into an agreement on August 11, 2006 ("Agreement") with Holiday Tours & Travels Pte Ltd("HTT") whereas HTT is a travel wholesaler tour operator for Qantas Holidays and has appointed the agent as the travel sales agent and the agent to act in its behalf. Agreement is in process of renewal.



### **Rate Contracts (Outbound)**

For its Outbound Leisure travel business, our Company has executed rate contracts with Mears Transportation Group (MTG) whereby MTG will offer our Company a package C rate (20%) on all transportation services in Orlando, with the exception of taxicabs and luxury sedans and is valid for a maximum period of one (1) year i.e January 31, 2008 to December 31, 2008 and the same is under renewal process.

### **Rate Contracts with Hotels**

For its outbound Leisure travel business, our Company has executed rate contracts with various hotels for availing its services. These rate contracts provide for specifications for the rooms, package offers, discounts, cancellation policies etc and are typically valid for a maximum period of one (1) year.

### **Service Agreement**

Our Company has executed a service agreement dated January 16, 2007 with Destination Management Canada Inc.(DMCi) whereby DMCi undertakes to act as ground handling agent in Canada for our Company and to provide various other services. This agreement is valid for a period of 12 months and thereafter is automatically renewed.

### **Sales Agreement**

Our Company has executed an Agreement dated July 13, 2007 with Victoria Cruises Inc, Newyork (“VC”) whereby the operator agrees to book the cruise program operated on VC’s vessels. This agreement is valid from January 1, 2008 to December 31, 2008 and the same is under renewal process.

### **Service Contract**

Our Company has executed a service contract on June 30, 2008 with National Express Dot2Dot Ltd (“National Express”) whereby the agent provided dot2dot details of the bookings made, the agent is expected to streamline this process by considering using a dedicated web portal or by using a standard file format for upload into National Express’s booking system (a CSV file). This contract shall be valid from April 1, 2008 to March 31, 2009.

### **Agreement with PJB**

Our company entered into a contract dated February 1, 2007(“Agreement”) with Les Freres Blanc PJB CONSEILS (“PJB”) whereby PJB has agreed to provide its restaurant service for our company’s passenger visiting Paris in order to promote PJB’s chain of restaurant. The said agreement is valid from February 1, 2007 to January 31, 2009

### **Agency Agreement**

Our Company has executed an agreement with Tourism Organization Interlaken whereby they are authorised to sell directly or through its agents tickets for Indian Dinner Cruise 2008 (May- June) and Swiss Dinner Cruise 2008 (July- August) and other allied products of Interlaken Tourism in the form of vouchers at prices given by Interlaken Tourism by separate agreements. The said Agreement is valid till December 31, 2008 and the same is under renewal process.

### **Talisma Corporation Private Limited (“TCPL”)**

Our Company has entered into the following agreements with TCPL for software related services:

<b>Date of Agreement</b>	<b>Validity</b>	<b>Purpose</b>
<b>Professional Service Agreement</b>		
February 01, 2005	On performance of all the statement of work	Providing adequate services in terms of maintenance for computer systems and softwares which are being used by our Company
<b>Talisma software license Agreement</b>		



February 01, 2005	Until terminated	Using and installing software products of TCPL
<b>Talisma CRN Software Agreement</b>		
February 28, 2008	From March 1, 2008 till performance of all the statement of work	Providing consulting assistance to the project team in the areas of Talisma Service Module-Email and configuration of the software

### **Subscriber Services Agreement (India)**

Our Company has executed a Subscriber Services Agreement dated December 1, 2007 (“Agreement”) with Interglobe Technology Quotient pursuant to which our Company is availing the Galileo System for Computerised Reservation System which provides reservation functionality for our Company’s operations in India. The said Agreement is for a period of minimum three years and will continue until terminated.

### **Agreement for Amadeus GDS Subscriber Service**

Our Company has entered into a Subscriber Agreement dated June 13, 2008 (“Agreement”) with Amadeus India Private Limited (“AIPL”), whereby AIPL is providing software connectivity to enable access to Amadeus GDS (Global Distribution Services) at all our offices, branches, implants, parent, sister, holding or subsidiary companies, firms, websites etc. The agreement is valid from January 1, 2008 for a period of four (4) years. Our Company has further executed an Amendment Letter # 01 to the Agreement on June 1, 2008, which stipulates an initial lock in for an initial period of twenty seven (27) months (*i.e. March 31, 2010*) till which time our Company shall not be able to terminate the above Agreement. The Agreement further provides that in case of termination of Agreement on or before March 31, 2010, our Company shall refund Rs. 135 lacs to AIPL and if the same is terminated after March 31, 2010 a sum of Rs. 80 lacs shall be refunded to AIPL.

### **Corporate Agency Agreement**

Our Company has entered into a Corporate Agreement dated June 12, 2008 (“Agreement”) with Bajaj Allianz Life Insurance Company Limited (“Bajaj Allianz”), whereby our Company has been appointed as a Corporate Agent of Bajaj Allianz to procure General Insurance business on its behalf. The said Agreement is valid for an initial period of three (3) years which can further be renewed at mutual consent of both the parties.

### **Sales Agency Agreement**

Our Company has entered into agreements with Star Cruises and Rail Europe 4A S.N.C for providing sales and marketing services in connection with the cruise packages on terms and conditions set out in these agreements. These agreements have standard terms and conditions except for the consideration, bank guarantee given, commission and term which vary from Agreement to Agreement.

<b>Name of the Client</b>	<b>Date/Term of the Agreement</b>
Star Cruises (India) Private Limited	January 3, 2007 (until terminated by either party)
Star Cruise Management Limited	January 3, 2007 (until terminated by either party)

### **Shopping Commission Agreements**

Our Company has executed few Shopping Commission Agreements with showroom owners, whereby our Company is providing information about these showrooms and the goods available for sale to the tourists visiting India.

### **Agent Incentive Agreements**

Our Company has executed agreements with various airline companies, whereby our Company is promoting and selling travel (by way of encouraging the customers to travel on these airline, selling the tickets of these airline etc.) on these airlines and is getting a commission/performance bonus on the flown revenue target. These agreements though executed in different agreement names have standard terms and conditions except where the





commission and term vary from agreement to agreement. Few of these agreements are in the process of being renewed.

### ***Productivity Linked Incentive Scheme (PLI) for 2007 - 2008***

Our Company has been offered a Productivity Linked Incentive Scheme dated April 01, 2008 (“Scheme”) for the year 2008 – 2009 by Kingfisher Airlines. Our Company pursuant to the Scheme is required to achieve certain targets with respect to flown revenue. The said Scheme is valid from April 1, 2008 till March 31, 2009.

### ***Agreement for Globe Trekker Journal – Marketing***

Our Company executed an Agreement dated December 27, 2007 (“Agreement”) with Spero Media Concepts Pvt Ltd (the “Editor”) whereby the Editor agreed to cause a full colour our Company’s Globe Trekker Journal to be published from India under suitable logo and style agreed upon in writing and thereby provide readers with information and advice regarding travel services and holiday offers and to be published every quarterly commencing on 1<sup>st</sup> quarter of 2008. The said Agreement is valid for 18 months upto June 27, 2009.

### ***Agreement for Selling Agency***

Our Company executed a Selling Agency Agreement dated January 15, 2007 (“Agreement”) with Thomas Cook (Mauritius) Holidays Limited (“Agent”) whereby our Company appointed the said Agent on non exclusive basis of the promotion, marketing, sale and distribution only of our Company’s - “100% holiday” products for and on behalf of our Company in Mauritius and Reunion Island (not including/ applying or extending to Foreign Exchange and/ or Travel Management Services). The said Agreement was valid till January 15, 2008 and is now under renewal process.

### ***Memorandum of Understanding***

Our Company has entered into a Memorandum of Understanding (“MOU”) with Bajaj Allianz General Insurance Company Limited (BAGICL), whereby our Company is providing the necessary support services for enabling BAGICL to provide their insurance products for the customers.

### ***Sales and Marketing Agreement***

Our Company has entered into a Sales and Marketing Agreement dated January 01, 2008 (“Agreement”) with Group Voyagers Ins (“GVI”), whereby our Company is appointed as a Preferred Account for the sale of Globus, Cosmos, Monograms and Avalon Waterways travel products. The said Agreement is valid till December 31, 2008 and the same is under renewal process.

### ***Agreement for sell and promotion of Air Arabia***

Our Company has executed an Agreement dated July 12, 2007 (“Agreement”) with Track India (Private) Limited, whereby our Company has been appointed as an agent in India to promote and sell the products and services of Air Arabia. The said Agreement is valid for a period of 1 year or until it is terminated by either party and is subject to automatic renewal every year.

### ***Agreement for Net Banking***

Our Company has entered into a NetBanking Agreement dated September 28, 2007 (“Agreement”) with HDFC Bank (“Bank”), whereby the Bank has agreed to accept instructions from its customer through the internet in respect of payments to be made by the customer to our Company and accordingly transfer funds from the Customer’s Bank Account to the our Current Account. The Agreement also provides that our Company has also established a website with the domain name www.thomascook.com (earlier indushorizons.com). This agreement is valid till September 27, 2010 with a further renewal for another three (3) years.

### ***Agreement for cash card***

Our company executed an agreement with Itz Cash Card Limited (“ICCL”) on June 6, 2008 whereby the parties have agreed for use of cash cards by members of public (end users) which can be bought from ICCL against cash pre-payments of the value of the cash card. This agreement shall remain in force until and unless otherwise terminated earlier by the parties and shall be renewable automatically every year thereafter upon exchange of formal written letter of renewal.

### ***Agreement for Online Payments***

Our Company (“Service provider”) executed an Agreement on January 29, 2007 (“Agreement”) with ICICI Bank Limited (“ICICI”), whereby the common customers of ICICI will be provided an additional facility to make payment by debiting their individual bank accounts with ICICI Bank to the extent of the charges payable by common customers to the Service Provider. This Agreement shall be in force for a continuous period unless terminated by either party by giving a prior written notice of sixty business days to the other party.

### ***Agreement for API***

Our Company has executed an Application Programming Interface (“API”) Agreement on July 1, 2007 (“Agreement”) with Interglobe Aviation Limited (“Indigo”) whereby Indigo has agreed to provide access to its system through API to our Company. Moreover, our Company shall provide its services to Indigo including opportunities to promote “Indigo Fares” and related promotions from time to time on an on non- exclusive basis. The Agreement was valid till June 30, 2008 and is in the process of renewal.

### ***Agreement for Online Subscriber***

Our Company entered into an On- Line Subscriber Agreement dated May 16, 2007 (“Agreement”) with Abacus Distribution Systems (“Abacus”) whereby Abacus agreed to provide our Company, a graphical user interface total office software system to access the Abacus System and use the Abacus Service as part of our Company’s service and support for its Internet customers (collectively, the software). The term of the Agreement shall be for a period of 2 years which shall be automatically renewed for a subsequent period of 2 years.

### ***Travel Agent Incentive Program Agreement***

Our Company has entered into a Travel Agent Incentive Program Agreement dated January 24, 2008 (“Agreement”) with Club Mediterranee (“CM”) whereby CM shall provide our Company on a non-exclusive basis its products for sale and marketing in Singapore. The Agreement was valid till October 31, 2008 and is now under renewal process.

### ***Content License Agreement***

Our Company has executed a Content License Agreement dated February 1, 2008 (“Agreement”) with Lonely Planet Publications Pty Limited for licensing travel related content, which would be available on our website. The said Agreement was valid till November 30, 2008 and will automatically renew for consecutive period of 3 months.

### ***TechTree - Statement of Work***

#### ***a) Development of Corporate Services Delivery Module***

Our Company entered into an Development of the Corporate Delivery Services Agreement dated November 27, 2007 (“Agreement”) with TechTree IT Systems (“TechTree”) whereby it is provided that TechTree will undertake development of the various modules for the corporate services delivery module as per the functional specification, also, TechTree will engage the services of BroadVision Technical Architect for the technical Design of the module. TechTree gave its approval for this SOW on March 18, 2008 and the project is still continuing.

## **b) Staff Service**

Our Company entered into an Agreement dated April 30, 2007 ("Agreement") with TechTree IT System ("TechTree") whereby TechTree is providing our Company with specific development services, more specifically for development of travel portal for which our Company has also hired services of BroadVision Consultants. The Agreement further provides that the development of the travel portal was expected to be completed by August 31, 2007. The prowork is still in effect and the Agreement is in renewal process.

### ***Agreement for Framing License***

Our Company entered into a Framing License Agreement dated June 6, 2008 ("Agreement") with VisitBritain ("VB"), whereby VB has granted a non-exclusive license to use VB's software, technical expertise, system and online shop content in order to publish the I-frame on <http://www.thomascook.in>. This Agreement is valid for one year commencing from June 12, 2008.

### ***Agreement for E-ticketing***

Our Company entered into an Agreement dated July 22, 2008 ("Agreement") with the Indian Railway Catering and Tourism Corporation Limited ("IRCTC"), whereby IRCTC has engaged our Company as an agent for selling of e-tickets for travel in trains of Indian Railways, through IRCTC website. This Agreement is valid for one year commencing from July 22, 2008.

## **Agreements executed by third parties with our Company and TCI**

### ***FIT Agreement***

Our Company and TCI has executed an FIT Agreement dated December 4, 2007 ("Agreement") with PILATUS-BAHNEN whereby PILATUS-BAHNEN is providing special conditions (rates) on Pre-Sold Tickets which includes Eurail Pass, Interrail Pass, Swiss Card, Swiss Pass, Swiss Flex Pass or Swiss Flexi Pass for our Company's and TCI's customers for the year 2008 and is currently under renewal process for the year 2009.

### ***Agreement for Swissminiatur Tickets***

Our Company and TCI ("the Companies") have executed an Agreement dated November 2, 2007 ("Agreement") with Exposition Swissminiatur SA whereby the Companies are authorized to sell directly or through its agents tickets for Swissminiatur and /or other allied products of Swissminiatur in the form vouchers at prices agreed between both our Company and TCI. The said Agreement is valid end of season 2008 and is now under renewal process for the year 2009.

### ***Marketing and Commission Agreement (2007)***

Our Company and TCI ("the Companies") have executed Marketing and Commission Agreement ("Agreement") with Kiwiway Vacations ("KV") whereby the Companies will be the marketing partner for KV wherein the Companies will book package plans, accommodation, and transport for the Kiwiway Vacations FIT Packages organized by KV. The said Agreement is valid from October 1, 2007 until a new contract is issued.

### ***Sales Agreement for Wholesale Clients***

Our Company and TCI ("the Companies") have executed a Sales Agreement dated August 11, 2008 ("Agreement") with Gullivers Travels Associates ("GTA") whereby GTA will supply hotel accommodation for Wholesale clients. The said agreement is valid till March 31, 2009.

### ***Agreement for Co-marketing Project***

Our Company and TCI have entered into a Co-marketing Project Agreement dated April 3, 2008 ("Agreement") with ENIT whereby ENIT in co-operation with our Company and TCI shall promote Italy as a mono destination. ENIT has agreed under the Agreement to co-operate for co-marketing the project, financially supporting the initiative and activities of the said project. The said Agreement is valid till the fulfilment of the joint promotion for year 2008.



## **B] OTHERS**

### ***SAP Software End – User Value License Agreement***

Our Company has entered into R/3 Software End –User Value License Agreement dated November 2, 1998 ‘Agreement’ with SAP India Systems, Applications and Products in data processing Private Limited (“SAP India”), whereby SAP India granted license to our company to use SAP’s proprietary R/3 software. The Agreement is valid till November 2, 2023 (i.e. 25 years from the effective date). A maintenance schedule was annexed to the said Agreement on September 30, 1999.

Our Company has also entered into a SAP Software End – User Value License Agreement dated January 2, 2007 (“Agreement”) with SAP India, Systems, Applications and Products in data processing Private Limited (“SAP India”). Our Company under the said Agreement is given a non exclusive, perpetual license to use SAPs proprietary software, documentation, information and third party database. The said Agreement is valid until terminated.

### ***Agreement for Development and Implementation of Project Vector II***

Our Company has entered into an Agreement for Development and Implementation of Project Vector II dated May 22, 2006 (“Agreement”) with Tata Consultancy Services Limited (“TCS”), whereby TCS is developing and implementing Project Vector II relating to Front Office System. The said Agreement is valid till it is specifically terminated either by our Company or TCS.

### ***Agreement for Microsoft EA***

Our Company entered into a Microsoft EA Agreement with Microsoft Operations Pte Ltd (“Microsoft”) through Wipro Limited whereby Microsoft has provided Volume License for certain Application Softwares. The Master Agreement and update protection coverage for the said Volume License is valid from October 19, 2007 till October 31, 2027.

### ***Share Subscription Agreements***

Our Company has executed separate Agreements on January 28, 2008 (“Agreements”) with HSBC and HSCI. For details please refer to the head ‘Other Agreements’ under the section titled “Our History & Main Objects” on page 96 of this Letter of Offer.

### ***Services Agreements***

Our Company entered into a Services Agreement dated January 2, 2007 (“Agreement”) with LKP Merchant Financing Limited (“LKP”) whereby LKP is rendering, supplying and providing intra-city courier, office management and other related services to our Company at our Head Office and such other branches as may opened during the currency of the said Agreement. The said Agreement is valid for five years commencing from January 2, 2007.

### ***Memorandum of Settlement***

Our Company has entered into a Memorandum of Settlement (“MOS”) under section 12 (3) read with section 18 (3) of the Industrial Disputes Act, 1947 with the workmen employed by our Company represented by Mr. T. V. Poojary through All India Tourist and Travel Employees Association (“Association”).

The said MOS provides for Service Increment, only to permanent workmen staff (as on November 30, 2006) who have completed 25 years or more in our Company at the time of signing of this MOS. The MOS was arrived at pursuant to the conciliation proceedings held by the conciliation officer. The said MOS will be effective from April 01, 2006 and will remain valid for a period of three (3) years i.e. upto March 31, 2009.

### ***Agreements for Advertising***

TCIL executed an Agreement dated January 1, 2007 with Dentsu Marcom Pvt Ltd (“Dentsu”) whereby Dentsu is rendering certain services in connection with planning, preparing and placing of advertising for our Company’s products and their group/ subsidiary companies as and when required by our Company. This Agreement will continue to exist until terminated by either party giving 90 days prior written notice.

### ***Agreement for Publishing Advertisements***

Our Company executed an agreement dated February 2, 2007 with The Times of India (“TOI”) whereby TOI agreed to publish ad creatives for our Company and some of its subsidiaries for a term of 2 years commencing from January 2007 to December 2008 and the same has been extended upto June 2009.

### ***Travel Corporation (India) Limited (“TCI”)***

#### ***Subscriber Services Agreement (India)***

TCI has executed a Subscriber Services Agreement dated October 1, 2007 (“Agreement”) with Interglobe Technology Quotient pursuant to which TCI is availing the Galileo System for Computerised Reservation System which provides reservation functionality for TCI’s operations in India. The said Agreement is for a period of minimum three years and will continue until terminated.

#### ***Consultancy Agreements***

TCI has executed a Consultancy Agreements (“Agreements”) dated January 21, 2008 with Thinktank Advisors Private Limited who has the necessary expertise and is providing an expert independent assessment of TCI’s potential in its current businesses and helping TCI understand the key human assets and capabilities which can be leveraged to fulfill the new objectives of TCI. The Agreement is valid till January 31, 2010 or completion of assignment whichever is earlier.

#### ***Golden Triangle Tours ex Goa Charter for winter 2006-07 (inbound)***

TCI has executed a Golden Triangle Tours ex Goa Charter for Winter 2006 – 2007 with My Travel dated July 31, 2006, whereby TCI is appointed as an agent for arranging tours on behalf of My Travel.

#### ***Rate and Service Agreement***

TCI has executed Rates and Service Agreement dated June 4, 2008 (“Agreement”) with Monarch Airlines Limited (“Monarch”), whereby TCI is providing hotel booking services for monarch personnels i.e. its employees, officer or director of Monarch or Monarch’s associated companies and mainly its flight crews. The Agreement is valid till April 30, 2009.

#### ***Charter Sales Agreement***

TCI has executed five (5) Charter Sales Agreements dated February 19, 2008 (“Agreements”) with Blue Coast Hotels and Resorts Limited Trading as The Park Hyatt Goa Resort and Spa (the “Hotel”) in various territories, whereby TCI is authorized to sell and market the Hotel’s services in the respective territories as a part of TCI’s air travel packages. These agreements have standard terms and conditions and the same are valid till May 15, 2009.

#### ***Local Supplier Agreement***

TCI has executed eight (8) Local Supplier Agreements (“Agreement”) with various Companies, whereby TCI is supplying services viz excursions, accommodation and means of transport to these Companies viz. Cosmosair Plc, TCNE (My Travel), Lanta-Tur, Versa, Meiers Weltreinsen, Quinta, Dertur and Solvex Tourne. These agreements have standard terms and conditions except where the term varies from Agreement to Agreement.



### ***Sales Agreement (outbound)***

TCI has executed a sales agreement (“Agreement”) with Greyhound Canada (“Greyhound”) dated August 7, 2007 wherein Greyhound has appointed TCI as a commission agent for the sale of its Discovery Pass Products, and other passenger transportation and tour services at the discretion of Greyhound. The said Agreement was valid till April 01, 2008 with an automatic renewal on a month-to-month basis and the same is under renewal process.

### ***Rate Contracts (Inbound & Outbound)***

For its Inbound & Outbound Leisure travel business, TCI has executed rate contracts with various hotels for availing its services. These rate contracts provide for specifications for the rooms, package offers, discounts, cancellation policies etc and are typically valid for a maximum period of one (1) year.

### ***Outbound Agency Agreements***

TCI has executed various Outbound Agency Agreements with companies/firms (“Tour Operators”) based outside India for procuring travel related business i.e. packages tours, hotel bookings and other travel related services for travellers from India. These agreements have standard terms and conditions except where the commission, cancellation charges and term vary from Agreement to Agreement. TCI has executed Credit or Bank Guarantee Agreement along with the above mentioned Agreements with some of the Tour Operators.

### ***Agreement for Cableway Tickets***

TCI executed an agreement dated December 21, 2007 (“Agreement”) with Schilthorn Cableway Limited (“SC”) whereby TCI is authorised to sell directly or through its agents cableway tickets of SCL in the form of vouchers at price given by SCL. The said Agreement was valid till December 9, 2008 and the same is under renewal process.

### ***Agreement Wimbledon Lawn Tennis Museum and Tour***

TCI has executed an Agreement dated February 2, 2007 (“Agreement”) with Wimbledon Lawn Museum (the “Museum”) whereby TCI has been appointed as one of the agent in India for procuring business to the Museum or on the Museum and Tour combination from travelers from India. The Museum has agreed to supply competitive rates from time to time for all the services offered by it. The said Agreement is valid from January 1, 2007 and can be terminated by either party by giving a three (3) months notice.

### ***Contract of Collaboration***

TCI has entered into a Contract of Collaboration dated June 8, 2007 (“Contract”) with Alpha Travel Consultants GMBH (the “Firm”) whereby both the parties have agreed to co-operate in the organization of touristic programs, seminar tours and training program for travelers to Germany and other European Countries. TCI shall send and the Firm shall receive the travelers on a mutually agreed basis. The said Contract is valid till December 31, 2007 and will be automatically renewed unless one of the parties object in written form thirty (30) days prior to that date.

### ***Preferred Sales Agent Agreement***

TCI has executed a Preferred Sales Agent agreement (“Agreement”) with Costa Crociere S.p.A (“Costa”) dated November 30, 2006 whereby TCI is appointed as an Agent to promote and sell cruises offered by Costa within the territory of India. The said Agreement also specifies that TCI shall not promote or sell cruises outside India. The said Agreement is valid till November 29, 2007 with an automatic renewal clause for a period of one (1) year unless terminated by either party and the same is under renewal process

TCI has also executed an Addendum to the said Agreement for providing TCI with access to Costa’s URL: [www.costaclick.com](http://www.costaclick.com) (“CostaClick”) and granting a limited, non-exclusive, non-transferable, revocable right to access and use CostaClick subject to terms and conditions specified in the Addendum.

### ***Travel Service Agreements***

TCI has executed various “Travel Service Agreement” with clients whereby TCI provides travel related services including booking services like air tickets, car rentals, travel arrangements etc. These agreements have standard



terms and conditions except where the consideration (service charge for each service rendered by TCI to its client plus the actual cost) and commission & discounts allowed by TCI to their clients vary from agreement to agreement.

### ***Agreement with Jungfrau Railways Management AG***

TCI has executed an Agreement dated July 14, 2003 with Jungfrau Railways Management AG (“JRMA”) wherein JRMA is accepting vouchers from TCI for issue of tickets at JRMA’s railway stations. Either party can terminate the agreement without giving any prior notice. .

### ***Sales Agent Agreement***

TCI has executed a Sales Agent Agreement (“Agreement”) with JTB Asia Tourist Corp (“JTB”) dated February 13, 2007 whereby TCI is appointed as FIT Hotel and Ground Service Agent, Japan Rail Pass (JRP) Sub-agent and Japan Hotel Network (JHN) Authorized Agent on non-exclusive basis. The said Agreement is valid till February 12, 2008 unless terminated by either party. The said Agreement provides for automatic renewal for one (1) year.

### ***Agreement with Travco***

TCI has executed an Agreement (“Agreement”) with Travco Limited (“TL”) dated April 16, 2007 whereby TL is offering its services, competitive rates, co-operation in finalizing any enquiry or booking received for UK, Europe and Thailand. The said Agreement is valid till April 15, 2010.

### ***Agents Contract with:***

1. TCI has executed an Agents Contract (“Contract”) with Robinson Scandinavia (“RS”) whereby TCI is appointed as an Agent to promote and sell tours published in RS’s brochure “Escorted Coach Tours-Guaranteed Departures plus City breaks”. The said Contract has been executed for the year 2008 and is under renewal process.
2. TCI has executed an Agents Contract (“Contract”) with Wyeth Limited whereby TCI is appointed as an IATA Agent to render travel related services and now offers total travel management services on an all India basis. The said Contract is valid from January 16, 2008 till January 15, 2009.
3. TCI has executed an Agents Agreement on April 1, 2008 with Hindustan Unilever Limited (“HUL”), whereby TCI is appointed as an IATA agent to provide the service of booking air tickets by a dedicated computerized system and has also agreed to provide HUL with the tariff of fares of all airlines, both domestic and international. This agreement is valid till March 31, 2010.

### ***Accredited Agency Agreement***

TCI has executed an Accredited Agency Agreement (“Agreement”) dated January 01, 2007 with Rail Europe 4A S.N.C (“RE”). Under the said Agreement, TCI is appointed as an Accredited Agent for sale of electronic tickets, passes, and /or reservations, other ground transportation and related products on behalf of RE in India. The said Agreement is valid till December 31, 2008 with an automatic renewal for further two (2) years unless terminated by either party.

### ***Agreements with Airlines***

TCI has executed agreements with various Airline companies, whereby TCI is promoting and selling travel (by way of encouraging the customers to travel on these airlines, selling the tickets of these airlines etc.) on these Airlines and is getting a commission/ performance bonus on the flown revenue target, which is more specifically set out in the said Agreement. These agreements, though executed in a different Agreement Name have standard terms and conditions except where the commission and term vary from Agreement to Agreement. Few of these Agreements are in the process of being renewed.



### ***Sabre Customer Agreement***

TCI has executed an Sabre Customer Agreement (“Agreement”) with Sabre Inc (“Sabre”) whereby TCI has been given a non-exclusive, non transferable limited right to use the Sabre system for (a) obtaining travel related information, including Sabre data for the purpose of booking travel reservations through the Sabre system and (b) to book reservations through the Sabre system for air transportation, car rentals, hotel accommodations. The said Agreement is valid for three (3) years from the effective date.

### ***Sales Agent MOU***

TCI has executed a Sales Agent MOU (“MOU”) with JTB Asia Tourist Corp (“JTB”) dated December 13, 2007 whereby TCI is appointed as FIT Hotel and Ground Service Agent, Japan Rail Pass (JRP) Sub-agent and Japan Hotel Network (JHN) Authorized Agent on non-exclusive basis. The said MOU is valid for 3 years commencing from January 1, 2008 with JTB – Western Japan Corp (International Travel Division).

### ***Marketing Agreement***

TCI has executed an agreement dated March 31, 2008 (“Agreement”) with Essel Sports Private Limited (“ESL”), whereby TCI has agreed to provide travel related services for a cricket tournament called the ‘Edelweiss 20s Challenge’ and has further agreed to make TCI the “official travel partner” of the Indian Cricket League. The said Agreement is valid for one (1) year commencing from March 5, 2008.

### **Thomas Cook Insurance Services (India) Limited (TCISL)**

#### ***Agency Agreement***

India Alive Tours Limited (currently TCISL) has entered into an Agency Agreement dated February 21, 2008 (“Agreement”) with Tata – AIG General Insurance Company Limited (“Tata AIG”), whereby TCISL is appointed as Corporate Agent of Tata AIG’s to procure General Insurance business on its behalf. The said Agreement is for an initial period of 3 years, subject to further renewal. The said Agreement has been further renewed till February 20, 2011.

#### ***Agreement with Tata AIG General Insurance Company Limited***

TCISL has entered into an Agreement dated June 4, 2008 (“Agreement”) with Tata AIG General Insurance Company Limited (“Tata AIG”), whereby TCISL is providing support services in terms of sale of Insurance Policies of Tata AIG. The said Agreement is valid for a period of 1 year commencing from April 2008 till March 2009.

#### ***Agreement with Hutchison Max Paging Private Limited***

TCISL has entered into an agreement on October 22, 2007 (“Agreement”) with Hutchison Max Paging Private Limited (“HMPPL”) whereby HMPPL appointed Thomas Cook to operate as distributor for the Home Calling Cards/ Products. The said agreement shall be valid for a term of one year effective from November 1, 2007 and thereafter will be renewed automatically on an annual basis.

#### ***Collection Representative Agreement***

TCISL has entered into Collection Representative Agreements with various persons/firms as Collection Representative in different locations for the sole purpose of acting as collection representative with the objective of facilitating receipt of amounts receivable from its various customers. Generally these Agreements are initially executed for a period of one (1) year with a further renewal of two (2) years.





## OUR HISTORY AND MAIN OBJECTS

### Incorporation

Our Company was originally incorporated as Thomas Cook (India) Private Limited on October 21, 1978 under the Act. The name of our Company was changed to "Thomas Cook (India) Limited" pursuant to the provisions of section 23 of Companies Act, 1956 and the special resolution passed by the members at the extra-ordinary general meeting held on March 07, 1979 and received a fresh Certificate of Incorporation on March 12, 1979. The Registered Office of our Company is situated at Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai 400 001.

Our Company was originally promoted by Thomas Cook Group Limited, the history of which can be traced back to its founder Mr. Thomas Cook. He commenced business in the United Kingdom in 1841 which included organizing group tours called Cook's Tours. Thomas Cook Group Limited was a wholly owned subsidiary of Midland Bank Limited, a British Bank.

In accordance with the permission granted by RBI, Thomas Cook Overseas Limited, England transferred its business in India to our Company as a going concern with effect from November 01, 1978.

Our Company had made a public issue of 6,99,993 equity shares of Rs.10/- each at par vide prospectus dated November 20, 1982, out of which 2,79,993 equity shares of Rs.10/- each were allotted to TCOL, England at par for consideration other than cash, 1,05,000 equity shares of Rs.10/- each were reserved for allotment to State Bank of India at par, 35,000 equity shares of Rs.10/- each were reserved for allotment to working Directors / Employees of our Company at par and the balance 2,80,000 equity shares of Rs.10/- each were offered to public for subscription at par.

TCUK was the erstwhile owner of TCOL, its then 100% subsidiary, and through TCOL held 60% of the issued equity share capital of our Company. On December 5, 2000, Condor & Neckermann Touristic AG now known as Thomas Cook AG ("TCAG"), through its wholly owned subsidiary, Eurocenter Beteiligungs-und Reisevermittlung GmbH ("Eurocenter") entered into an agreement with Carlson Companies Inc., USA to acquire a 100% stake in Thomas Cook Holdings Limited ("TCH") now known as TCUK. On March 29, 2001, TCH became a wholly owned subsidiary of Eurocenter and consequently, our Company became a step-down subsidiary of Thomas Cook AG. SEBI had given a conditional exemption from the requirement to make an open offer. Since the special resolution was defeated at the shareholders meeting, the open offer had to be made. The open offer opened on October 16, 2001 and closed on November 14, 2001.

The shareholding of TCH was transferred to TCIM (at that time, a wholly owned subsidiary of Thomas Cook Aktiengesellschaft ("TCAG") with effect from December 19, 2005. This transaction was exempted from the requirement of an open offer vide SEBI order WTMO/ 18 /CFD/ 12 /2005 dated December 19, 2005. On December 21, 2005, DFL agreed to acquire 100% of TCIM and accordingly DFL, pursuant to an open offer made on December 23, 2005 under SEBI Takeover Regulations acquired controlling interest of our Company.

Our Company, in December 2006, acquired the entire shareholding of TCI, which is, *inter alia*, in the business of travel management and tour and leisure services both inbound and outbound, in an all cash deal. The said acquisition has enhanced our Company's market share, provide synergistic benefits, enhance buying power, extend product portfolio and offer better customer service. Post-acquisition, TCI has become a Wholly Owned Subsidiary of our Company.

Pursuant to a SSPA dated December 30, 2006 executed by and between our Company, ACGL and HCL, our Company has divested 100% stake in HCL being 2,50,000 equity shares of Rs. 10/- each at a price of Rs. 350.40 each in favour of ACGL in an all cash deal worth Rs. 876 lacs.

In February 2007, LKP Forex, one of India's leading Foreign Exchange houses amalgamated into our Company in a share swap deal, pursuant to the Bombay High Court Order dated January 12, 2007. The scheme of amalgamation, though operative from the appointed date (April 01, 2006) became effective from the effective date (February 01, 2007).



Adjudicating Officer of SEBI has vide order dated May 22, 2007 imposed a penalty of Rs. 2,05,000/- on TCOL, the erstwhile promoter of our Company, under section 15A(b) of the Securities and Exchange Board of India Act, 1992 for non-compliance with provisions of regulation 8 of the SEBI Takeover Regulations pertaining to financial years 1999-2000, 2000-2001 and 2001-2002. The same has been paid by TCOL vide their letter dated July 20, 2007.

TCUK by way of a SPA with DFL dated March 7, 2008, purchased for cash 100% of the fully paid-up equity share capital of TCIM and acquired indirect control in our Company, subject to the fulfillment, inter alia, of certain conditions in the SPA. Subsequently, TCUK made an open offer on March 08, 2008 under SEBI Takeover Regulations and acquired 3,06,71,365 equity shares representing 19.14% of the then outstanding equity share capital of our Company. Subsequent to the fulfillment of the conditions in the SPA and to this open offer, TCUK and TCIM together hold 120,425,965 equity shares representing 74.89% of our fully paid up equity capital.

### Key events

Year	Major Events
2006	DFL acquired 100% of TCIM, which held 60% of the then paid-up capital of our Company
	Our Company launched its Premium Outbound holidays brand - "100% Holidays"
	Our Company entered into an agreement for merger of LKP Forex with us
	Our Company acquired 100% equity stake of TCI
	Our Company divested 100% stake in HCL in favour of ACGL in an all cash deal
2007	Our Company in collaboration with ICICI Bank launched the "Thomas Cook Titanium Mastercard"
	LKP Forex merged with our Company in a share swap deal, pursuant to the Bombay High Court Order dated January 12, 2007
	Thomas Cook Travel and Foreign Exchange (Singapore) Pte. Limited, one of our subsidiaries, was struck off the register on May 06, 2007
2008	Thomas Cook Travel (Thailand) Limited, one of the step down subsidiaries of our Company has been liquidated on July 24, 2007
	Thomas Cook UK Limited along with TCIM Limited acquired 74.89% of the paid-up capital of our Company

### Details of awards, recognitions won by our Company

Our Company has received, amongst others, the following awards and accreditations:

#### 2007-2008

- Travel Agency- India for the year by TTG Asia – Part of Pacific Asia Travel Association (PATA)
- Best Tour Operator by CNBC Awaaz
- Best Outbound Tour Operator in the 4<sup>th</sup> Hospitality India & Explore the world Annual International Awards

#### 2006-2007

- National Tourism Awards - Best MICE Operator
- National Tourism Awards - Third Prize - Inbound Operator

#### 2005 – 2006

- Hospitality India Awards - Best Outbound & Inbound Tour Operator of the Year
- ABCI Awards
  - First Prize for Thomas Cook (India) Table Calendar
  - Second Prize for Thomas Cook (India) Tidings
  - Third Prize for Thomas Cook (India) Annual Report
- Air India Rank & Bolt Awards - towards Responsible & Active Citizenship, Preserving Crumbling Environment
- MoneyGram Excellence Awards - Best Branding
- Air India
  - Best Performance in Passenger Sales
  - Outstanding Performance in Indian Region



- American Express - winner of the Summit Program
- Tourism New Zealand
- Coach Itinerary Winner
- Self Drive Brochure Award
- Singapore Airlines – Top Agent Award

## **2004 – 2005**

- PATA Gold Award, 2005 - By Pacific Asia Travel Association (PATA) for marketing in the category of Industry Tour Operator / Travel Agent.
- Best Website Award - By the Association of Business Communications of India (ABCI), where the company won the first prize for its website – www.thomascook.co.in – (3 years in a row).
- Malaysia Airlines Gold Award For Outstanding Sales Achievement
- Qantas High Flyer Award
- Award Appreciation by Srilankan Airlines

## **Changes in Registered Office of our Company**

There has been no change in the registered office of our Company since incorporation.

## **Amalgamation, Acquisition and Disinvestment:**

### **1. Amalgamation of LKP Forex Limited**

Pursuant to the Scheme of Amalgamation between our Company and LKP Forex which became effective from February 01, 2007 following the Order of Bombay High Court dated January 12, 2007, LKP Forex was amalgamated with our Company with all the assets and debts, outstandings, credits, liabilities, duties and obligations whatsoever concerning LKP Forex being transferred to and vested in our Company from appointed date (April 01, 2006). On February 7, 2007 our Company, DFL, TCIM and LKP Merchant entered into a Shareholders Agreement for the purpose of regulating the relationship between shareholders of erstwhile LKP Forex and the shareholders of our Company.

Pursuant to the valuation report dated August 10, 2006 issued by N.M. Rajji & Co., LKP Merchant, shareholder of LKP Forex received Eleven (11) equity shares of Rs. 10/- each fully paid up of our Company for every Twenty (20) equity shares of Rs. 10/- each fully paid up held by them in LKP Forex, Thirty Eight (38) Class A Preference shares fully paid up for every One (1) equity share of Rs. 10/- each fully paid up, Two (2) Class B Preference Shares for every Seventeen (17) equity shares of Rs. 10/- each fully paid up and One (1) Class C Preference share for every Ten (10) equity shares of Rs. 10/- each fully paid up held by them in LKP Forex.

### **2. Acquisition of TCI**

Pursuant to a SPA dated December 01, 2006 executed by and between our Company, the Katgara Group represented by Mr. J.N. Katgara, the Parikh Group represented by Mr. Pranav Parikh and the Kotak Group represented by Mr. Krishna Kotak (“collectively referred as KPK Group”) and TCI, our Company has acquired 100% of the then issued capital being Rs. 15,766,920 comprising of 1,576,692 equity shares of Rs. 10/- each, of TCI in an all cash deal worth Rs. 18,245 lacs.

TCI is now a wholly owned subsidiary of our Company from December 28, 2006.

### **3. Disinvestment in Hindustan Cargo Limited**

Pursuant to a SSPA dated December 30, 2006 executed by and between our Company, ACGL and HCL, our Company has divested 100% stake in HCL, being 250,000 equity shares of Rs. 10/- each at a price of Rs. 350.40 each in favour of ACGL in an all cash deal worth Rs. 876 lacs. HCL has ceased to be our subsidiary from the close of business hours of December 30, 2006.

## Main Objects of our Company

The objects as contained in the Memorandum of Association include:

- i. To acquire and take over as a going concern the business now carried on in India by Thomas Cook Overseas Limited, a company incorporated in the England and having its principal office at 45, Berkeley Street, London W1A 1EB England, together with the goodwill thereof and all or any of its assets and liabilities and to carry on the said business and, for that purpose, to into appropriate agreement and take all necessary steps.
- ii. To carry on the trades or business of general travel passenger, tourist and transport agents and contractors, organizers of travel by land, water or air, railroad, steam or other ship, overcrafts, aeroplanes, automobile and other automotive vehicle owners, characters, hirers, contractors and agents, import and export agents, freight, baggage storage and forwarding contractors and agents, recruitment and emigration agents, general carriers and contractors, wharfingers, carmen, owners and proprietors of bonded stores, warehouses and depositories of all kinds, removers of all kinds, of goods by land, air or water, and provision of services in connection therewith hotel agents and caterers, insurance agents and caterers, insurance agents and providers of services, necessaries and articles of all kinds for travellers or tourists throughout the world and surveyors.
- iii. To grant and issue letters of credit and circular notes and to issue, sell and encash traveller's cheques, to buy, sell and deal in foreign exchange, and to provide facilities of all types for remittance of funds.
- iv. To act as tour operators and to organize conferences, conventions and seminars and tours, trips, excursions, sojourns, holiday camps, hikes, treks, expeditions, safaris to any sea, mountain, lake, forest or holiday resorts of tourist interest or any other place either in India or any part of the world and to prepare plans, maps, itineraries, routes for the same and to book tickets and accommodation and to provide all types of assistance to tourists and travellers.

## Changes in the Memorandum and Articles of Association of our Company

The following changes have been made in our Company's Memorandum and Articles of Association since inception:

Sr. No	Date of shareholders Approval	Details		Particulars
1.	March 07, 1979	Clause III (a) (i)	Amended vide EGM Resolution	Amended by deleting the United Kingdom and substituting the name England therefor
1(a).	June 08, 2001	Clause 32 A	Inserted vide Special Resolution passed at the AGM	Amendment of the objects clause of our memorandum of association to add clauses 32 A in the objects clause of our memorandum of association
2.	March 28, 2006	Clause 32 B	Inserted vide Special Resolution passed at the AGM	Amendment of the objects clause of our memorandum of association to add Article 32A and Article 32C in the objects clause of our memorandum of association
3.	March 28, 2006	Clause 32 C	Inserted vide Special Resolution passed at the AGM	

4.	September 20, 1990	Clause V of MOA	Amended vide AGM Special Resolution dated September 20, 1990	Authorised Share Capital increased to 50,00,000 equity shares of Rs. 10/- each aggregating to Rs. 500 lacs
4.a.	May 17, 1995	Clause V of MOA	Amended vide AGM Special Resolution dated May 17, 1995	Authorised Share Capital increased to 2,00,00,000 equity shares of Rs. 10/- each aggregating to Rs. 2000 lacs
4.b.	January 20, 2007	Clause V of MOA	Replaced vide resolution of shareholders and creditors passed at their meeting held on November 14, 2006 and pursuant to the B'bay HC Order dated January 12, 2007	Authorised Share Capital increased to: <ul style="list-style-type: none"> <li>• 3,45,82,706 equity shares of face value of Rs. 10/- each,</li> <li>• 11,47,60,000 Class A 4.65% Cumulative Non – Convertible Redeemable Preference Shares of Rs. 10/- each,</li> <li>• 3,55,294 Class B 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each,</li> <li>• 3,02,000 Class C 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each aggregating to Rs. 15,000 lacs.</li> </ul>
4.c.	April 28, 2007	Clause V of MOA	Replaced vide Special Resolution passed by way of Postal Ballot approved on April 28, 2007	Subdivision of 1 equity share of face value Rs. 10/- each into 10 equity shares of face value of Re. 1/- each Authorised Equity Share Capital changed to: 34,58,27,060 Equity Shares of face value of Re. 1/- each Preference Share Capital remaining the same
4.d.	January 11 2008	Clause V of MOA	Amended vide Resolution passed through Postal Ballot dated January 11, 2008	Authorised Share Capital increased to Rs. 27,50,00,000 by inclusion of 12,50,00,000 Preference Shares of Rs. 10/- each

<b>Interpretation</b>				
5.	February 24, 2003	--	Chairman-Inserted vide Special Resolution passed at the AGM	Amendments made to the interpretation of Chairman
5(a)	March 28, 2006	--	Definition Changed vide at the AGM Special Resolution	Change made to the definition of the word "The Company" or "this Company" in the existing Article 2
5(b)	June 27, 2008	Article 2	Amended vide AGM Special Resolution dated June 27, 2008	Amended the Definition of TCO in the existing Article 2 of the Articles of Association of the Company.
6.	April 28, 1999	--	Member - Amended vide Special Resolution passed at the AGM	Amendments made to the interpretation of Members
7.	June 08, 2001	--	Postal Ballot- Inserted vide Special Resolution passed at the AGM	Inserted definition of Postal Ballot
8.	June 08, 2001	--	Dividend - Amended vide Special Resolution passed at the AGM	Amendments made to the interpretation of Dividend & in the definition of TCO
8(a)	March 7, 1979	--	Amended vide EGM Resolution	Amended by deleting the United Kingdom and substituting the name England therefor in the definition of TCO
9.	March 28, 2006	--	TCO – Amended vide Special Resolution passed at the AGM	Amendments made to the interpretation of TCO TCO: Thomas Cook Overseas (TCO term substituted Vide Special Resolution passed at the AGM dated March 28, 2006)
9 (a)	June 27, 2008	--	TCO – Amended vide Special Resolution passed at the AGM	Amendments made to the interpretation of TCO TCO: Thomas Cook UK Limited (TCO term amended Vide Special Resolution passed at the AGM dated June 27, 2008)
10.	April 28, 1999	--	Security- Added vide Special Resolution passed at the AGM	Amendments made to the definitions of Security, Beneficial Owner, Bye – laws, Depository, Depositories Act, Record, SEBI

11.	March 28, 2006	--	Amended vide special resolution passed at the AGM	Amendments made to the interpretation of Deputy Chairman or Dy. Chairman
11(a)	March 07, 1979	Clause 3	Deleted vide EGM Resolution	
11(b)	March 28, 2006	Clause 4	Deleted vide AGM Special Resolution	Change of Corporate name be deleted entirely.
<b>Capital &amp; Increase &amp; Reduction of Capital</b>				
11(c)	September 20, 1990	Article 5	Substituted vide AGM Special Resolution	Amount of Capital
12.	May 17, 1995	Article 5	Amended vide AGM Special Resolution	
13.	January 20, 2007	Article 5	Replaced by resolutions of shareholders and creditors at their meeting held on 14th November 2006 pursuant to the Order of the Bombay High Court dated January 12, 2007	
14.	March 20, 2007	Article 7A	Inserted by Special Resolution passed by the way of Postal Ballot	Issue not exceeding 10,80,000 equity shares of Rs. 10/- each and not exceeding 2,00,000 equity shares of Rs. 10/- each per eligible employee under ESOP Scheme
15.	September 20, 1990	Article 8	Amended vide AGM Special Resolution	Issue Redeemable Preference Shares are or at the option of our Company are liable to be redeemed on or within the expiry of a period of 20 years from the date of their issue
15(a)	January 11, 2008	Article 8	Replaced by Special Resolution passed by the way of Postal Ballot	Authority given to the Board to decide terms and conditions of preference shares
16.	April 28, 1999	Article 13	Amended vide AGM Special Resolution	Amendment made to keep a Register and Index of Members
16(a)	April 28, 1999	Article 14(a)	Renumbered vide AGM Special Resolution	Renumbering from 14 to 14(a)
17.	April 28, 1999	Article 14(b)	Added vide AGM Special Resolution	Amendment made for Shares to be numbered progressively and no share to be sub-divided
18.	April 28, 1999	Article 21(a)	Added vide AGM Special Resolution	Amendment made for no Share Certificate or Certificates shall be issued for shares held in a Depository
19.	September 20, 1990	Article 21(d)	Added vide AGM Special Resolution	Amendment made to charge such sum as the board may decide for

				issuing Certificates other than the marketable lot.
20.	April 17, 1996	Article 21(e)	Added vide AGM Special Resolution	Amendment made to refuse the splitting of share certificates other than in and / or in marketable lots of 50 shares and/ or multiple thereof
21.	April 28, 1999	Article 21(f)	Added vide AGM Special Resolution	Amendment made for no stamp duty payable on shares or securities being held in Dematerialized form in any medium as permitted by law including any form of electronic medium
22.	April 28, 1999	Article 22(i)	Added vide AGM Special Resolution	Amendment made to issue shares in Dematerialized form
23.	April 28, 1999	Article 24(a), (b)	Amended vide AGM Special Resolution	Clause 24 deleted and clause 24(a) & (b) substituted in respect of "Company not bound to recognize any interest in share other than that of registered holder"
24.	April 28, 1999	Article 26 (a)	Added vide AGM Special Resolution	Inserted after the existing Article 26 as Article 26(a) regarding that the Company shall be entitled to dematerialize share, Debenture, & other Securities.
25.	February 28, 2002	Article 26(b)	Inserted vide special resolution passed at the AGM	Amendment made for Purchase of Own Securities
<b>Transfer &amp; Transmission of Shares</b>				
26.	April 28, 1999	Article 57	Added vide AGM Special Resolution	Amendment made to transfer form to be completed and presented to our Company
27.	April 28, 1999	Article 55	Amended vide AGM Special Resolution	Amendment made to keep a "Register of Transfers"
28.	April 28, 1999	Article 57(a)	Added vide AGM Special Resolution	Amendment for transfer form to be completed and presented to our Company in accordance with the provisions of the Companies Act
28(a)	March 07, 1979	Article 85	Amended vide EGM Resolution	Amended by deleting the word "two" and substituting the word



				"five" therefor.
29.	September 20,1990	Article 59	Amended vide Special Resolution AGM	Amendment to include debentures and any other scrip or security in line with provisions of Section 22A of Securities Contract (Regulations) Act, 1956
<b>Nominations</b>				
30.	June 08, 2001	Article 64A (i)	Inserted vide Special Resolution passed at the AGM	Amendment made by adding Article 64 A (i) & 64 B (i) in the Transfer and Transmission of the share of our Memorandum of Association regarding the Transmission in case of nomination.
31.	June 08, 2001	Article 64B (i)	Inserted vide Special Resolution passed at the AGM	
<b>Meeting of members</b>				
32.	February 24, 2003	Article 88	Substituted vide Special Resolution passed at the AGM	Chairman defined
33.	March 28, 2006	Article 88	Amended vide Special Resolution passed at the AGM	Vice Chairman replaced by Dy. Chairman
34.	September 20,1990	Article 91	Amended vide Special Resolution passed at the AGM	Amendment made to Article 90 of the Articles of Association of our Company
35.	June 8, 2001	Article 96 A	Inserted vide Special Resolution passed at the AGM	Amendment made by adding Article 96 A of the Articles of Association of our Company
36.	April 28, 1999	Article 98	Added vide AGM Special Resolution	Amendment made for voting rights to which members entitled during the meeting.
36(a)	March 07, 1979	Article 113	Amended by EGM Resolution	Amended by deleting the word "two" and substituting the word "three" therefor
37.	March 28, 2006	Article 115(2)	Amended vide Special Resolution passed at the AGM	Substituted for Article 115(1) for Appointment and election of Directors of the Articles of Association of our Company
38.	September 20, 1990	Article 121(4)	Amended vide Special Resolution passed at the AGM	Amendment made for Article 121(4) of Directors of the Articles of Association of our Company
39.	September 20, 1990	Article 137(1)	Amended vide Special Resolution passed at the AGM	Amendment made for Article 137(1) of Directors of the Articles of Association of our Company

<b>Managing Director</b>				
40.	March 28, 2006	Article 140(a)	Amended vide Special Resolution passed at the AGM	Amendment made to change Vice Chirman to Deputy Chairman.
<b>Proceedings of the Board of Directors</b>				
41.	March 28, 2006	Article 149	Substituted vide Special Resolution passed at the AGM	Substituted Vice – Chairman by the word Dy. Chairman
42.	February 24, 2003	Article 149A	Inserted vide Special Resolution passed at the AGM	New Article is inserted after existing Article 149 as Article 149A for Directors who will presides over the meeting of the Board.
43.	March 28, 2006	Article 149A	Amended vide Special Resolution passed at the AGM	Substituted Vice – Chairman by the word Dy. Chairman
<b>Management</b>				
44.	October 15, 1984	Article 159(A)	Added vide AGM Special Resolution	Inserted Article 159(A) in respect of Clause on appointment of managerial personnel
45.	March 28, 2006	Article 159(A)	Amended vide Special Resolution passed at the AGM	Amendment made as above for the same
<b>Dividend</b>				
46.	September 20, 1990	Article 172(b)	Amended vide Special Resolution passed at the AGM	Amendment made to Right of Dividend, Rights, Shares and Bonus Shares to be held in abeyance pending registration of transfer of shares
47.	June 08, 2001	Article 174 (a)	Amended vide Special Resolution passed at the AGM	The Word Forty – two days substituted by the word Thirty days for unclaimed dividend
47(a)	March 07, 1979	Article 174(A)	Amended vide EGM Resolution	Amended by deleting the word “Private” from the last line of the Article
48.	September 20, 1990	Article 174 (b)	Substituted vide Special Resolution passed at the AGM	Money transferred to unpaid dividend account shall be transferred to general revenue account of the Central Government after expiry of three years
49.	June 08, 2001	Article 174 (b)	Deleted & Substituted vide Special Resolution passed at the AGM	Money transferred to Unpaid Dividend account shall be transferred to IEPF A/c after expiry of seven years.

<b>Accounts</b>				
50.	September 20, 1990	Article 181	Amended vide Special Resolution passed at the AGM	Amendment made in Article 181 of the Articles of Association of our Company for Abridged Annual Report to the members
<b>Documents</b>				
51.	June 08, 2001	Article 183	Substituted vide Special Resolution passed at the AGM	Amendment made in Article 183 for Service of Documents or Notices on Members by our Company

The details of the capital raised by our Company are given in the section entitled “Capital Structure” on page 18 of this Letter of Offer.

### **Subsidiaries**

For details regarding our subsidiaries please refer to section titled “Our Subsidiaries” on page 112 of this Letter of Offer.

### **Raising of Equity**

For details in relation to the raising of equity, please refer to chapter titled “Capital Structure” on page 18 of this Letter of Offer.

### **Shareholders Agreement**

Our Company has not entered into any shareholders agreement except as given below:

Pursuant to the Merger Agreement, a Shareholders Agreement (“Agreement”) has been executed on February 07, 2007 by and between our Company, DFL, TCIM and LKP Merchant.

Salient features of the Shareholders Agreement:

- Mr. Mahendra Doshi shall be appointed on the board of our Company as a nominee director of LKP Merchant, subject to the conditions laid down in the said Agreement. However, Mr. Doshi has resigned from the Board of our Company
- Pursuant to the said Agreement, the equity shares and preference shares allotted to LKP Merchant, pursuant to the Scheme of Amalgamation of LKP Forex into our Company have been locked in for the term mentioned below;
  - Equity shares (14,94,900) – Locked in upto May 31, 2010
  - Class ‘A’ Preference Shares (10,32,84,000) – Locked in upto January 31, 2008, if not redeemed earlier.
  - Class ‘B’ Preference Shares (3,19,765) – Locked in upto December 31, 2013, if not converted earlier as per the Scheme of Amalgamation of LKP Forex with our Company
  - Class ‘C’ Preference Shares (2,71,800) – Locked in upto December 31, 2013, if not converted earlier as per the Scheme of Amalgamation of LKP Forex with our Company
- Pursuant to the said Agreement, the Preference shares issued to LKP Merchant shall be converted / redeemed by our Company in the following manner;

### Class 'A' Preference Shares

- The Class A Preference shares shall be compulsorily redeemed by our Company at the expiry of one (1) year from the effective date i.e. the date of issuance and allotment of the equity and preference shares to LKP Merchant pursuant to the Bombay High Court Order;
- Our Company shall have the right but not the obligation to redeem the Class A Preference shares after the expiry of ninety (90) days from the Effective Date by issuing redemption notice to LKP Merchant
- The Class A Preference shares shall be redeemed by our Company at par.

### Class 'B' Preference Shares

- If the EPS\* of our Company for any EPS Financial Year during the Earn Out Period first exceeds Rs. 30.30, each Class B Preference share shall be converted into one (1) equity share of our Company within six (6) months from the expiry of the said EPS Financial Year. It is clarified that the number of equity shares to be issued upon conversion of the Class B Preference shares pursuant of this Clause 6.2 shall be proportionately adjusted in case of any sub-division of equity shares or bonus issues of equity shares during the Earn Out Period. Provided however that, if the EPS of our Company does not exceed Rs. 30.30 for any EPS Financial Year comprised in the Earn Out Period, each Class B Preference share shall be redeemed by our Company at par within six (6) months from the expiry of the Earn Out Period.

### Class 'C' Preference Shares

- If the EPS\* of our Company for any EPS Financial Year during the Earn Out Period first exceeds Rs. 36.40 each, Class C Preference share shall be converted into one (1) equity share of our Company within six (6) months from the expiry of the said EPS Financial Year. It is clarified that the number of equity shares to be issued upon conversion of the Class C Preference shares pursuant of this Clause 6.3 shall be proportionately adjusted in case of any sub-division of equity shares or bonus issues of equity shares during the Earn Out Period. Provided however that, if the EPS of our Company does not exceed Rs. 36.40 for any EPS Financial Year comprised in the Earn Out Period, each Class B Preference share shall be redeemed by our Company at par within six (6) months from the expiry of the Earn Out Period.

*\*EPS means the basic Earnings Per equity share as computed in accordance with Accounting Standard – 20 on a Face Value of Rs. 10 per equity share*

*“Earnings Per Share” issued by the Institute of Chartered Accountants of India, as adjusted for any extraordinary item of income/ expense, considered in the audited accounts of our Company for that EPS Financial Year.*

- Pursuant to the said Agreement, the trigger levels of the EPS of our Company referred to in Class B preference shares and Class C preference shares are given below;
  - It is clarified that the trigger levels of the EPS of our Company referred to in clauses 6.2 and 6.3, as the case may be, shall be proportionately adjusted in case of one or more bonus issues, buy back of shares or the sub-division of shares made by our Company during the Earn Out Period. However, in case of (i) any change in the equity capital structure of our Company (other than by way of bonus issues and/or sub-division of shares and/or buy back of shares) during the Earn Out Period, if the authorized representatives of our Company and LKP Merchant cannot mutually agree on the proportionate adjustment of the trigger levels of the EPS of our Company given under Clauses 6.2 and 6.3 above, M/s. G.M. Kapadia & Co., Chartered Accountants, 1001 Raheja Chambers, 213 Nariman point, Mumbai 400021, shall decide the extent of the adjustment to be made to the trigger levels of the EPS of our Company given above, which decision shall be binding on the Parties hereto. It is further agreed that, in determining the adjusted EPS for the purpose of clauses 6.2 and 6.3, if the authorized representatives of our Company and LKP Merchant cannot mutually agree on whether a particular item of income or expense is ordinary in nature, M/s. G.M. Kapadia & Co., Chartered Accountants, 1001 Raheja Chambers, 213 Nariman Point, Mumbai 400021, shall determine whether the same is extraordinary and which decision on the adjustments to the EPS shall be final and binding on parties hereto.

## **Other Agreements**

Except for the details given below, our Company had not entered into any other agreements / arrangements:

### **1. Merger Agreement**

A Memorandum of Understanding dated June 30, 2006 was entered into by and between our Company, LKP Forex and LKP Merchant to confirm the mutual commitment towards pursuing the amalgamation of LKP Forex with our Company. Pursuant to the said Memorandum of Understanding, a Merger Agreement dated August 18, 2006 ("Merger Agreement") has been executed by and between our Company, LKP Forex, LKP Merchant and Mr. Mahendra Doshi with main objective of managing the transaction of amalgamation of LKP Forex into our Company and to provide for the representations & warranties and indemnities to our Company.

### **2. Non – Competition Agreement**

Pursuant to the Non – Competition Agreement dated February 07, 2007 entered into by and between our Company, LKP Merchant and Doshi Family, LKP Merchant and Doshi Family have agreed not to compete with our Company in relation our business for a period of seven (7) years from February 07, 2007 and further to jointly and severally undertake the non-competition obligations for a consideration of Rs. 2,200 lacs.

### **3. Share Purchase Agreement**

Pursuant to a Share Purchase Agreement dated August 18, 2006 executed by and between M/s Rare Enterprises, our Company and LKP Forex, M/s Rare Enterprises has sold and transferred 302,000 equity shares of Rs. 10/- each ("Sale Shares") representing 10% of the total issued and paid up share capital of LKP Forex to our Company for an amount of Rs. 745.03 per Sale Shares aggregating Rs. 2,250 lacs as consideration for the sale of all the Sale Shares. For the transfer of Sale Shares our Company had also executed an escrow agreement dated August 18, 2006.

### **4. Share Purchase Agreement**

Pursuant to a Share Purchase Agreement dated December 01, 2006 executed by and between Katgara Group represented by Mr. J.N Katgara, the Parikh Group represented by Mr. Pranav Parikh and the Kotak Group represented by Mr. Krishna Kotak ("collectively referred as KPK Group"), our Company and TCI, KPK Group has sold and transferred 15,76,692 equity shares of Rs. 10/- each ("Sale Shares") representing 100% of the total issued and paid up share capital of TCI to our Company for an amount of Rs. 1,157.17 per share aggregating Rs. 18,245 lacs as consideration for the sale of all the Sale Shares.

The KPK Group under the said agreement has also undertaken to TCI and our Company that they shall not either personally/ by itself or through an agent, company or otherwise in any manner directly or indirectly participate in any business which is similar to or competes with the business of TCI till September 30, 2009.

### **5. Share Sale and Purchase Agreement**

Pursuant to a SSPA dated December 30, 2006 executed by and between our Company, ACGL and HCL, our Company has sold and transferred 250,000 equity shares of Rs. 10/- each ("Sale Shares") representing 100% of the total issued and paid up share capital of HCL to ACGL for an amount of Rs. 356.40 per share aggregating Rs. 891 lacs as consideration for the sale of all the Sale Shares. The purchase consideration was subsequently reduced by Rs. 15 lacs by a subsequent Board Resolution.

Our Company under the said SSPA has also undertaken to ACGL that it shall not either personally / by itself or through an agent, company or otherwise in any manner directly or indirectly participate in any business which is similar to or competes with the business of HCL for three (3) years from the date of the said SSPA.

## 6. Redeemable Preference Shares Subscription Agreement between our Company and The Hongkong & Shanghai Banking Corporation Limited ("HSBC")

A Redeemable Preference Shares Subscription Agreement ("Agreement") has been executed on January 28, 2008 by and between our Company and HSBC whereby HSBC has subscribed to 30,000,000 1% CRPS of our Company aggregating to Rs. 3,000 lacs to enable our Company to partly redeem 10,32,84,000 4.65% CRPS that have been issued to LKP Merchant Financing Limited in terms of Bombay High Court order for amalgamation of LKP Forex Limited with our Company.

Salient features of Share Subscription Agreement

- The Agreement provides for "Dividend Policy" and the CRPS held by HSBC shall be entitled to be redeemed at a premium of 10% per annum as per the terms of CRPS provided below:

Subscriber	HSBC
Date of issue & allotment	January 29, 2008
Tenor of the CRPS	1 (one) year from the date of allotment
Aggregate Quantity (No. of CRPS)	3,00,00,000
Face value per CRPS	Rs. 10
Subscription price Per CRPS	Rs. 10 per CRPS amounting to an aggregate of Rs. 3,000 lacs.
Dividend	1% per annum
Redemption premium	10% per annum
Computation methodology	Actual / 365
Redemption date	January 29, 2009
Transferability	Freely Transferable

- The Agreement provides that our Company shall redeem the CRPS which have been issued to HSBC at a premium of 10% per annum at the end of a period of one (1) year i.e. January 29, 2009 from the proceeds received from the rights issue or any other issue of shares made by our Company in favour of the Promoters or to any other person.
- Our Company further undertakes that, until such time that the CRPS are redeemed in terms of this Agreement, it shall not redeem any other class of preference shares (except Class 'A' Preference Shares issued by our Company and conversion of Class 'B' & Class 'C' Preference shares) issue or to be issued by our Company, without the prior written consent of HSBC.
- HSBC shall have a right to vote in accordance with the provisions of the Act.
- The Agreement shall become effective upon the execution and shall continue to remain in force until the CRPS are redeemed at the end of the tenor (i.e. January 29, 2009) and all the payments required to be made to HSBC by our Company as per the terms of the above table are made in full.

## 7. Redeemable Preference Shares Subscription Agreement between our Company and HSBC Securities and Capital Markets (India) Private Limited ("HSCI")

A Redeemable Preference Shares Subscription Agreement ("Agreement") has been executed on January 28, 2008 by and between our Company and HSCI whereby HSCI has subscribed to 7,50,00,000 1% CRPS of our Company aggregating to Rs. 7,500 lacs to enable our Company to partly redeem 10,32,84,000 4.65% CRPS that have been issued to LKP Merchant Financing Limited in terms of Bombay High Court order for amalgamation of LKP Forex Limited with our Company.

Salient features of Share Subscription Agreement:

- The Agreement provides for "Dividend Policy" and the CRPS held by HSCI shall be entitled to be redeemed at a premium of 10% per annum as per the terms of CRPS provided below:

Subscriber	HSCI
Date of issue & allotment	January 29, 2008

Subscriber	HSCI
Tenor of the CRPS	1 (one) year from the date of allotment
Aggregate Quantity (No. of CRPS)	75,00,00,000
Face value per CRPS	Rs. 10
Subscription price Per CRPS	Rs. 10 per CRPS amounting to an aggregate of Rs. 7,500 lacs
Dividend	1% per annum
Redemption premium	10% per annum
Computation methodology	Actual / 365
Redemption date	January 29, 2009
Transferability	Freely Transferable

- The Agreement provides that our Company shall redeem the CRPS which have been issued to HSCI at a premium of 10% per annum at the end of a period of one (1) year i.e. January 29, 2009 from the proceeds received from the rights issue or any other issue of shares made by our Company in favour of the promoters or to any other person.
- Our Company further undertakes that, until such time that the CRPS are redeemed in terms of this Agreement, it shall not redeem any other class of preference shares (except Class 'A' Preference Shares issued by our Company and conversion of Class 'B' & Class 'C' Preference shares) issue or to be issued by our Company, without the prior written consent of HSCI.
- HSCI shall have a right to vote in accordance with the provisions of the Act.
- The Agreement shall become effective upon the execution and shall continue to remain in force until the CRPS are redeemed at the end of the tenor (i.e. January 29, 2009) and all the payments required to be made to HSCI by our Company as per the terms of the above table are made in full.

### Strategic Partners

There are no strategic partnership agreements entered into by our Company.

### Financial Partners

There are no financial partnership agreements entered into by our Company

### Dividend Policy

We do not have a formal dividend policy. The declaration and payment of dividends are recommended by our Board of Directors and approved by our shareholders, at their discretion, and depends on a number of factors, including but not limited to the earnings, capital requirements, overall financial conditions and other factors prevailing at the time.

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future. The following table sets forth the aggregate number of outstanding equity shares entitled to dividends, as well as cash dividends paid on equity shares during each of the financial years indicated:

Particulars	Period/ Year Ended					
	6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
Number of Equity shares	160,782,330	160,782,330	14,583,333	14,583,333	14,583,333	14,583,333
Face Value Per Share (Rs.)	1	1	10	10	10	10
Paid Up Value Per Share (Rs.)	1	1	10	10	10	10
Rate of Dividend (%)	0%	50%	50%	37.5%	37.5%	37.5%

Particulars	Period/ Year Ended					
	6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
Total Dividend Paid (Rs. In Lacs)	-	803.91	803.91	546.87	546.87	546.87
Corporate Dividend tax (Rs. In Lacs)	-	136.62	136.62	76.70	71.46	70.06

Note:

1. Dividend paid for the period ended December 31, 2006 includes, dividend and tax there on for equity shares issued subsequently against share suspense account outstanding as on December 31, 2006
2. The amount paid as dividend in the past is not indicative of dividend policy of the Company in the future.

Our Company had preference shares for the financial year/ period December 31, 2007 and June 30, 2008. The following table sets forth the proportionate dividend on these preference shares:

Share Capital	Period/ Year ended	Amount (Rs. In Lacs)
Preference Share Capital	December 31, 2007	504.94
Preference Share Capital	June 30, 2008	96.33





## OUR SUBSIDIARIES

Our Company has the following subsidiaries:

### Indian Subsidiaries:

- I. Travel Corporation (India) Limited
- II. Thomas Cook Insurance Services (India) Limited
- III. Indian Horizon Travel & Tours Limited
- IV. Thomas Cook Tours Limited

### Foreign Subsidiaries:

#### Direct Subsidiaries:

Our directly held foreign subsidiaries include:

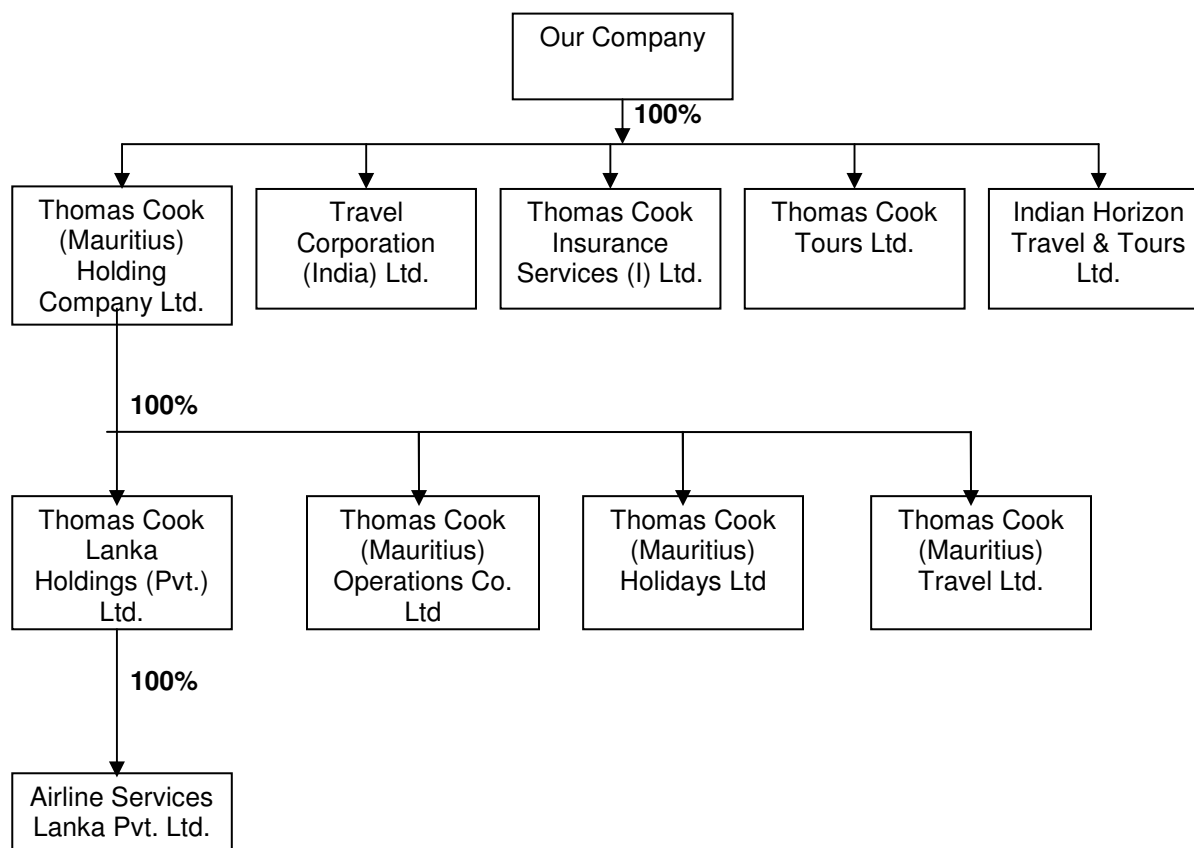
- V. Thomas Cook (Mauritius) Holding Company Limited

#### Indirect Subsidiaries:

Our indirectly held foreign subsidiaries include:

- VI. Thomas Cook (Mauritius) Operations Company Limited
- VII. Thomas Cook (Mauritius) Holidays Limited
- VIII. Thomas Cook (Mauritius) Travel Limited
- IX. Thomas Cook Lanka Holdings (Private) Limited
- X. Airline Services Lanka Private Limited

The Subsidiaries of our Company can be explained with help of the flow chart given below:





## Indian Subsidiaries:

### I. Travel Corporation (India) Limited (“TCI”)

TCI was originally incorporated as a Private Limited Company in Maharashtra under a Certificate of Incorporation No.12067 of 1961-62 issued on July 19, 1961 having its registered office at Chander Mukhi, Nariman Point, Mumbai 400 021. On July 27, 1988 the word “Private” was deleted from the name of TCI thereby making TCI a public company. In 2001, the term Private was added back into the name of TCI thereby making TCI a Private Limited Company again. Subsequent, to the acquisition of TCI by our Company, TCI has amended its Articles of Association at the EGM held on December 28, 2006 to convert itself into a public company and has obtained necessary approval from ROC on February 26, 2007.

The main objects of TCI are to carry on the business of handling inward foreign tourist activity in India including independent and conducted tours, safaris, expeditions, conferences, meetings and other group movements and also to handle similar foreign tourist activity in other parts of the world through its own offices and agents and correspondents.

Pursuant to a SPA dated December 1, 2006 executed by and between our Company, Katgara Group represented by Mr. J.N Katgara, the Parikh Group represented by Mr. Pranav Parikh and the Kotak Group represented by Mr. Krishna Kotak (“collectively referred as KPK Group”) and TCI, our Company has acquired 100% of the then issued capital being Rs. 15,766,920 comprising of 1,576,692 equity shares of Rs. 10/- each, of TCI in an all cash deal worth Rs. 18,245 lacs.

Our Company acquired entire share capital of TCI from the erstwhile promoter group on December 28, 2006. Consequently, TCI with effect from this date has become our wholly owned subsidiary.

#### Board of Directors

Name of the Director	Designation
Mr. Hoshang Billimoria	Chairman
Mr. Madhavan Menon	Director
Ms. Nalini Gupta	Director
Mr. Vinayak K. Purohit	Director

#### Shareholding Pattern

Particulars	No. of shares held	Shareholding (%)
Thomas Cook (India) Limited	1,576,692	100
Mr. Madhavan Menon	1*	NIL
Mr. Rambhau Kenkare	1*	NIL
Ms. Nalini Gupta	1*	NIL
Dr. Prasanth Nair	1*	NIL
Mr. Anil Srinivasan	1*	NIL
Mr. Vishal Suri	1*	NIL
<b>Total</b>	<b>1,576,698</b>	<b>100</b>

\*Held as nominees in the beneficial interest of our Company.

#### Financial Performance

The audited financial performance for the last three years is given below:

(Rs in lacs)

For the financial year ended	December 31, 2007	December 31, 2006*	March 31, 2006
Total income	6,717.45	3,761.00	5,136.76
Expenditure	4,692.35	3337.85	4334.68
Profit/(Loss) before tax	2,025.10	423.15	802.08
Profit after Tax	1,379.10	223.14	444.12



Equity Capital (FV – Rs. 10/- per Share)	157.67	157.67	157.67
Reserves & Surplus (excluding revaluation reserve)	5,166.02	3,786.91	3,642.44
Earnings per Share (in Rs.)	87.47	14.15	28.17
Net Asset Value per equity share (in Rs.)	337.65	250.18	241.02

\* Our Company acquired entire share capital of TCI from the erstwhile promoter group on December 28, 2006. Consequently, TCI with effect from this date has become our wholly owned subsidiary. In order to align with the accounting year of our Company, TCI changed its statutory accounting year to end on December 31 every year.

#### Other Details:

The equity shares of TCI are not listed on any stock exchange and it has not made any public or rights issue in the preceding three (3) years. TCI is not a sick company under the meaning of SICA and it is not referred for winding up. The details of the profit or loss figures for the immediately preceding three years are given in the table above.

There are no outstanding litigations against TCI except as disclosed under section “Outstanding Litigation, Defaults and Material Development” on page no. 227 of this Letter of Offer. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCI.

#### II. Thomas Cook Insurance Services (India) Limited (“TCISL”)

TCISL was incorporated under the Companies Act, 1956 in the name of India Alive Tours Private Limited in the year 1989, under the Certificate of Incorporation number 11-54760 of 1989 dated December 26, 1989. On November 25, 1992 the word “Private” was deleted from the name of TCISL thereby making TCISL a Public Company. TCISL was registered as a Public Company simpliciter on July 06, 2001. TCISL vide a special resolution passed on February 25, 2002 altered the provisions of its Memorandum of Association with respect to its objects. The same has been filed with the RoC on March 22, 2002. TCISL has obtained a Certificate of Registration of Special Resolution passed for alteration of objects on April 05, 2002. Further a Fresh Certificate of Registration consequent to change of name was obtained by TCISL on May 07, 2002 for change of name from India Alive Tours Limited to Thomas Cook Insurance Services (India) Limited. TCISL is registered as a corporate agent of Tata AIG General Insurance Company Limited with Insurance Regulatory and Development Authority of India.

The main objects of TCISL are *inter-alia* to carry on the trades or business of general insurance and agents in respect of all classes of insurance including marine, fire, life, accident, burglary, workman compensation, indemnity and motor.

#### Board of Directors

Name of the Director	Designation
Mr. Udayan Bose	Chairman
Mr. Madhavan Menon	Director
Mr. Rambhau Kenkare	Director

#### Shareholding Pattern

Particulars	No. of shares held	Shareholding (%)
Thomas Cook (India) Limited	49,994	100
Mr. Madhavan Menon	1*	NIL
Mr. Rambhau Kenkare	1*	NIL
Ms. Nalini Gupta	1*	NIL
Dr. Prasanth Nair	1*	NIL
Mr. Anil Srinivasan	1*	NIL
Mr. Vishal Suri	1*	NIL
<b>Total</b>	<b>50,000</b>	<b>100</b>

\*Held as nominees in the beneficial interest of our Company.

## Financial Performance

The audited financial performance for the last three years is given below:

(Rs. in lacs)

For the financial year ended	December 31, 2007	December 31, 2006*	October 31, 2005
Total income	502.18	480.60	447.25
Expenditure	319.76	616.90	311.35
Profit/(Loss) before tax	182.42	(136.30)	135.90
Profit after Tax	118.93	(93.94)	87.87
Equity Capital (FV – Rs. 10/- per Share)	5.00	5.00	5.00
Reserves & Surplus (excluding revaluation reserve)	192.62	73.69	167.63
Earnings per Share (in Rs.)	237.86	(187.89)	175.74
Net Asset Value per equity share (in Rs.)	395.22	157.37	345.26

\*Financial year November 01, 2005 to December 31, 2006

## Other Details

The equity shares of TCISL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three (3) years. TCISL is not a sick company under the meaning of SICA and it is not referred for winding up. The details of the profit or loss figures for the immediately preceding three years are given in the table above.

There are no outstanding litigations against TCISL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCISL.

## III. Indian Horizon Travel & Tours Limited (“IHTTL”)

IHTTL was incorporated under the Companies Act, 1956 in the name of Indian Horizon Travel & Tours Private Limited in the year 1989, under the Certificate of Incorporation number 11-54765 of 1989 dated December 26, 1989 having its registered office at Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai 400 001. On November 25, 1992 the word “Private” was deleted from the name of IHTTL thereby making IHTTL a Public Company. IHTTL was registered as a Public Company simpliciter on July 06, 2001. IHTTL vide a special resolution passed on October 11, 2000 altered the provisions of its Memorandum of Association with respect to its objects. The same has been filed with the RoC on November 1, 2000. IHTTL has obtained the Certificate of Registration of Special Resolution passed for alteration of objects on November 8, 2000.

IHTTL is currently not carrying on any business which can contribute to the revenues of our Company.

The main objects of IHTTL are *inter-alia* to carry on the trades and business of general passengers, tourist and transport agents and contractors.

## Board of Directors

Name of the Director	Designation
Mr. Udayan Bose	Chairman
Mr. Madhavan Menon	Director
Mr. Rambhau Kenkare	Director

## Shareholding Pattern

Particulars	No. of shares held	Shareholding (%)
Thomas Cook (India) Limited	49,994	100
Mr. Madhavan Menon	1*	NIL
Mr. Rambhau Kenkare	1*	NIL
Ms. Nalini Gupta	1*	NIL
Dr. Prasanth Nair	1*	NIL
Mr. Anil Srinivasan	1*	NIL
Mr. Vishal Suri	1*	NIL
<b>Total</b>	<b>50,000</b>	<b>100</b>

\*Held as nominees in the beneficial interest of our Company.

## Financial Performance

The audited financial performance for the last three years is given below:

For the financial year ended	(Rs. in lacs)		
	December 31, 2007	December 31, 2006*	October 31, 2005
Equity Capital (FV – Rs. 10/- per Share)	5.00	5.00	5.00
Reserves & Surplus (excluding revaluation reserve)	-	-	-
Net Current Assets	4.39	4.44	4.55
Miscellaneous Expenditure	0.61	0.56	0.45

\*Financial year November 1, 2005 to December 31, 2006

Profit and Loss account has not been prepared as there have been no activities during the above period.

## Other Details

The equity shares of IHTTL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three (3) years. IHTTL is not a sick company under the meaning of SICA and it is not referred for winding up.

There are no outstanding litigations against IHTTL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against IHTTL.

## IV. Thomas Cook Tours Limited (“TCTL”)

TCTL was incorporated under the Companies Act, 1956 in the name of Thomas Cook Tours Private Limited in the year 1989, under the Certificate of Incorporation number 11-54761 of 1989 dated December 26, 1989 having its registered office at Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai – 400 001. On November 25, 1992 the word “Private” was deleted from the name of TCTL thereby making TCTL a Public Company. TCTL was registered as a Public Company simpliciter on July 06, 2001.

TCTL is currently not carrying on any business which can contribute to the revenues of our Company. The main objects of TCTL are *inter-alia* to carry on the trades and business recruitment and emigration agents, general carriers and contractors, and proprietors of bonded stores, and removers of all kinds of goods.

## Board of Directors

Name of the Director	Designation
Mr. Udayan Bose	Chairman
Mr. Madhavan Menon	Director
Mr. Rambhau Kenkare	Director

## Shareholding Pattern

Particulars	No. of shares held	Shareholding (%)
Thomas Cook (India) Limited	49,994	100
Mr. Madhavan Menon	1*	NIL
Mr. Rambhau Kenkare	1*	NIL
Ms. Nalini Gupta	1*	NIL
Dr. Prasanth Nair	1*	NIL
Mr. Anil Srinivasan	1*	NIL
Mr. Vishal Suri	1*	NIL
<b>Total</b>	<b>50,000</b>	<b>100</b>

\*Held as nominees in the beneficial interest of our Company.

## Financial Performance

The audited financial performance for the last three years is given below:

*(Rs. in lacs)*

For the financial year ended	December 31, 2007	December 31, 2006*	October 31, 2005
Equity Capital (FV – Rs. 10/- per Share)	5.00	5.00	5.00
Reserves & Surplus (excluding revaluation reserve)	-	-	-
Net Current Assets	4.39	4.44	4.55
Miscellaneous Expenditure	0.61	0.56	0.45

\*Financial year November 1, 2005 to December 31, 2006

Profit and Loss account has not been prepared as there have been no activities during the above period.

## Other Details

The equity shares of TCTL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three (3) years. TCTL is not a sick company under the meaning of SICA and it is not referred for winding up.

There are no outstanding litigations against TCTL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCTL.

## Foreign Subsidiaries:

### Direct Subsidiaries:

#### V. Thomas Cook (Mauritius) Holding Company Limited (“TCMHCL”)

TCMHCL was incorporated in Mauritius on December 20, 1994 under the Mauritius Companies Act 1984, as a private company with limited liability. TCMHCL's registered office and principal place of business are situated at 10, Frère Felix de Valois Street, Port Louis, Mauritius.

The principal activity of TCMHCL is to hold investments. TCMHCL is licensed as a Category 1 Global Business under the Financial Services Act 2007. It holds 100% of the issued share capital in the following three subsidiaries:

- Thomas Cook (Mauritius) Operations Co. Ltd, a subsidiary, incorporated in Mauritius, and whose principal activity is to act as a foreign exchange dealer;
- Thomas Cook (Mauritius) Travel Ltd, a subsidiary, incorporated in Mauritius, and whose principal activity is to act as a General Sales Agent;
- Thomas Cook (Mauritius) Holidays Ltd, a subsidiary, incorporated in Mauritius, and whose principal activity is to operate as a tour operator and travel agency;

## Board of Directors

Name of the Director	Designation
Mr. Udayan Bose	Chairman
Mr. Madhavan Menon	Director
Mr. Uday Kumar Gujadhur	Independent Director
Mr. Iqbal Rajahbalee	Independent Director
Mr. Kapildeo Joory	Independent Director

## Shareholding Pattern

TCMHCL is a wholly owned subsidiary of our Company.

## Financial Performance

The standalone audited financial performance for the last three years is given below:

For the financial year ended	December 31, 2007	December 31, 2007	December 31, 2006*	December 31, 2006*	October 31, 2005	October 31, 2005
	(In USD)	(Rs. in Lacs)	(In USD)	(Rs. in Lacs)	(In USD)	(Rs. in Lacs)
Total Income	(67,827)	(31.84)	62,738	29.45	3,614	1.70
Expenditure	10,305	4.84	16,758	7.87	19,454	9.13
Profit/(Loss) before tax	(78,132)	(36.68)	45,980	21.58	(15,840)	(7.44)
Profit/(Loss) after Tax	(78,132)	(36.68)	45,980	21.58	(15,840)	(7.44)
Equity Capital (FV – USD 1/- each)	1,655,500	777.09	1,655,500	777.09	1,355,500	636.27
Retained Earnings	(39,311)	(18.45)	38,821	18.22	(22,314)	(10.47)
Currency Translation Reserve	36,087	16.94	(274,887)	(129.03)	-	-

\*Financial year November 1, 2005 to December 31, 2006

## Other Details

The equity shares of TCMHCL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three (3) years. TCMHCL is not a sick company under the meaning of SICA and it is not referred for winding up. The details of the profit or loss figures for the immediately preceding three years are given in the table above.

There are no outstanding litigations against TCMHCL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCMHCL.

## Indirect Subsidiaries:

### VI. Thomas Cook (Mauritius) Operations Company Limited (“TCMOCL”)

TCMOCL was incorporated as a private limited company in the Republic of Mauritius on January 14, 2000 bearing registration No. B152 No 343, having its registered office Ground Floor, Anglo Mauritius House, 4 Intendance Street, Port Louis, Mauritius.

The main objects of TCMOCL are:

- to carry on the trade or business of general travel, passenger, tourist and transport agents, tour operators, contractors, organizers of charters, cruises, conferences, conventions, seminars, excursions, holidays to any destinations in any part of the world.
- to issue, sell, deal and encash travellers cheques, foreign bank notes and coins and to provide facilities of all types for remittance and receipt of funds.

The principal activity is to act as a foreign exchange dealer.



## Board of Directors

Name of the Director	Designation
Mr. Madhavan Menon	Director
Mr. Uday Kumar Gujadhur	Independent Director
Mr. Udayan Bose	Director
Mr. Iqbal Rajahbalee	Independent Director
Mr. Kapildeo Joory	Independent Director

## Shareholding Pattern

TCMOCL is a wholly owned subsidiary of Thomas Cook (Mauritius) Holding Company Limited.

## Financial Performance

The audited financial performance for the last three years is given below:

For the financial year ended	December 31, 2007		December 31, 2006*		October 31, 2005	
	(In MUR)	(Rs. in Lacs)	(In MUR)	(Rs. in Lacs)	(In MUR)	(Rs. in Lacs)
Total Income	66,127,963	1,110.95	352,32,958	591.91	17,016,734	285.88
Net Finance Income	(1,333,448)	(22.40)	155,209	2.61	163,573	2.75
Expenditure	32,451,815	545.19	22,775,517	382.63	15,159,006	254.67
Profit/(Loss) before tax	32,342,700	543.36	12,612,650	211.89	2,021,301	33.96
Profit/(Loss) after Tax	26,982,931	453.31	9,717,650	163.26	1,601,301	26.90
Capital (Ordinary Shares of MUR 100 each)	26,813,650	450.47	26,813,650	450.47	19,203,900	322.63
Retained Earnings	35,385,820	594.48	8,402,889	141.17	(1,314,761)	(22.09)

\*Financial year November 1, 2005 to December 31, 2006

## Other Details:

The equity shares of TCMOCL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three (3) years. TCMOCL is not a sick company under the meaning of SICA and it is not referred for winding up. The details of the profit or loss figures for the immediately preceding three years are given in the table above.

There are no outstanding litigations against TCMOCL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCMOCL.

## VII. Thomas Cook (Mauritius) Holidays Limited ("TCMHL")

TCMHL was incorporated as a private limited company in the Republic of Mauritius on June 14, 2004. TCMHL is incorporated without a MOA and AOA which is permitted under the provisions of the Companies Act, 2001 having its registered office at Ground Floor, Anglo Mauritius House, 4, Intendance Street, Port Louis, Mauritius.

The Board of TCMHL has recently approved adoption of a constitution. However, since the Board Resolution are not yet approved and filed with the Registrar of companies, it cannot be said that TCMHL has a constitution as on date.

Principal activity of TCMHL is to operate as a tour operator and travel agency.

## Board of Directors

Name of the Director	Designation
Mr. Madhavan Menon	Director
Mr. Uday Kumar Gujadhur	Independent Director
Mr. Udayan Bose	Director
Mr. Iqbal Rajahbalee	Independent Director
Mr. Kapildeo Joory	Independent Director





## Shareholding Pattern

TCMHL is a wholly owned subsidiary of Thomas Cook (Mauritius) Holding Company Limited.

## Financial Performance

The audited financial performance is given below:

For the financial year ended	December 31, 2007		14 Months period ended December 31, 2006	
	(In MUR)	(Rs. In Lacs)	(In MUR)	(Rs. In Lacs)
Total income	3,506,547	58.91	986,743	16.58
Expenditure	3,401,957	57.15	1,576,136	26.48
Profit before tax	104,590	1.76	(589,393)	(9.90)
Profit / Net Loss	49,713	0.84	(466,393)	(7.84)
Share Capital (Ordinary Shares of MUR 100 each)	1,310,000	22.01	1,310,000	22.01
Retained Earnings	(444,000)	(7.46)	(493,713)	(8.29)

TCMHL did not carry on any business during the prior period.

### Other Details:

The equity shares of TCMHL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three (3) years. TCMHL is not a sick company under the meaning of SICA and it is not referred for winding up. TCMHL has made a loss in the immediately preceding year and the details of the profit or loss figures for that period are given in the table above.

There are no outstanding litigations against TCMHL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCMHL.

### VIII. Thomas Cook (Mauritius) Travel Limited (“TCMTL”)

TCMTL was incorporated as a private limited company in the Republic of Mauritius on June 14, 2004. TCMTL is incorporated without a MOA and AOA which is permitted under the provisions of the Companies Act, 2001 having its registered office at Ground Floor, Anglo Mauritius House, 4, Intendance Street, Port Louis, Mauritius. TCMTL is a Wholly Owned Subsidiary of TCMHCL. The principal activity is to act as a General Sales Agent.

The Board of TCMTL has recently approved adoption of a constitution. However, since the Board Resolution are not yet approved and filed with the registrar of companies, it cannot be said that TCMTL has a constitution as on date.

### Board of Directors

Name of the Director	Designation
Mr. Madhavan Menon	Director
Mr. Uday Kumar Gujadhur	Independent Director
Mr. Udayan Bose	Director
Mr. Iqbal Rajahbalee	Independent Director
Mr. Kapildeo Joory	Independent Director

## Shareholding Pattern

TCMTL is a wholly owned subsidiary of Thomas Cook (Mauritius) Holding Company Limited.



## Financial Performance

The audited financial performance for the last three years is given below:

*In MUR*

For the financial year ended	December 31, 2007		December 31, 2006*		October 31, 2005#	
	(In MUR)	(Rs. in Lacs)	(In MUR)	(Rs. in Lacs)	(In MUR)	(Rs. in Lacs)
Total Income	1,707,214	28.68	2,081,189	34.96	1,934,433	32.50
Expenditure	1,695,290	28.48	2,288,397	38.45	2,157,007	36.24
Profit / (Loss) before tax	11,924	0.20	(207,208)	(3.48)	(222,574)	(3.74)
Net Loss	(89,076)	(1.50)	(226,208)	(3.80)	(102,574)	(1.72)
Capital (Ordinary Shares of MUR 100 each)	1,310,000	22.01	1,310,000	22.01	1,310,000	22.01
Retained Earnings	(417,858)	(7.02)	(328,782)	(5.52)	(102,574)	(1.72)

\*Financial year November 1, 2005 to December 31, 2006

# From June 14, 2004 (Date of Incorporation) to October 31, 2005

### Other Details:

The equity shares of TCMTL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three (3) years. TCMTL is not a sick company under the meaning of SICA and it is not referred for winding up. TCMTL has made a loss in the immediately preceding year and the details of the profit or loss figures for the immediately preceding three years are given in the table above.

There are no outstanding litigations against TCMTL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCMTL.

### IX. Thomas Cook Lanka Holdings (Private) Limited ("TCLHL")

TCLHL was incorporated as a private limited company in Colombo under the provisions of the Companies Act No. 17 of 1982 on August 11, 2004 bearing registration No. N(PVS) 38330 having its registered office at Lloyds Building 15, Sir Baron Jayatileke Mawatha P.O. Box 36, Colombo 1, Sri Lanka. TCLHL is a Wholly Owned Subsidiary of TCMHCL.

The main objects of TCLHL are to carry on the business of an investment company and for that purpose deal with monies of the Company in any manner and in particular to acquire and hold for investment and dispose off upon such terms and conditions as may be thought fit either in the name of the Company or in that of any nominee shares, stocks, preference shares, debentures, debenture stock, bonds, obligations, securities and equities of any other form issued or guaranteed by any company, debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any government, sovereign ruler, commissionaires, public body or authority supreme, dependent municipal, local or otherwise established or carrying on business in Sri Lanka or elsewhere.

During the year 2007, TCMHCL, holding company of TCLHL divested its stakes in TCLHL. TCLHL was dormant and only shares were been issued.

### Board of Directors

Name of the Director	Designation
Mr. Madhavan Menon	Director
Mr. Udayan Bose	Director
Mr. Sayanta Basu	Alternate Director to Mr. Udayan Bose

### Shareholding Pattern

Particulars	No. of shares Held	Shareholding (%)
Thomas Cook (Mauritius) Holding Co. Ltd	518,451	100%
Mr Madhavan Menon	1	-

Particulars	No. of shares Held	Shareholding (%)
Mr. Ashwini Kakkar	1	-
<b>Total</b>	<b>518,453</b>	<b>100%</b>

### Financial Performance

TCLHL did not have any operations during the last three years.

### Other Details:

The equity shares of TCLHL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three (3) years. TCLHL is not a sick company under the meaning of SICA and it is not referred for winding up. There are no outstanding litigations against TCLHL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCLHL.

### X. Airline Services Lanka Private Limited (“ASLL”)

ASLL was incorporated as a private limited company on August 11, 2004 bearing Registration No. N(PVS) 38559 having its registered office at Lloyds Building 15, Sir Baron Jayatileke Mawatha P.O. Box 36, Colombo 1, Sri Lanka. ASLL is a wholly owned subsidiary of TCLHL. The main object of ASLL is to carry on the trades or business of general selling agents of any airline.

### Board of Directors

Name of the Director	Designation
Mr. Madhavan Menon	Director
Mr. Udayan Bose	Director
Mr. Sayanta Basu	Alternate Director to Mr. Udayan Bose

### Shareholding Pattern

ASLL is a wholly owned subsidiary of Thomas Cook Lanka Holdings (Private) Limited.

### Financial Performance

ASLL did not have any operations during the last three years.

### Other Details:

The equity shares of ASLL are not listed on any stock exchange and it has not made any public or rights issue in the preceding three (3) years. ASLL is not a sick company under the meaning of SICA and it is not referred for winding up. There are no outstanding litigations against ASLL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against ASLL.



## MANAGEMENT

The Board of Directors of our Company is as mentioned below. The composition of the Board of Directors is in compliance with requirements of corporate governance:

Sr. No.	Name, Father's name, Age, Designation, Occupation, Residential Address	Date of Appointment	Qualifications	List of Other Directorships
1.	Mr. Udayan Bose S/o Prabhas Chandra Bose 59 years Chairman (Non-Executive & Independent) Occupation: Banker Address: 34A, Sterling Apartments, Pedder Road, Mumbai - 400 026.	January 21, 2006 (appointed as Additional Director, regularized on March 28, 2006)	BSC. Honors. (Chemistry & Mathematics)	<ol style="list-style-type: none"> <li>1. Thomas Cook Insurance Services (India) Limited.</li> <li>2. Thomas Cook Tours Limited</li> <li>3. Indian Horizon Travel &amp; Tours Limited.</li> <li>4. Prithish Nandy Communications Limited</li> <li>5. Tamara Capital Advisors Private Limited.</li> <li>6. Credit Capital Finance Limited</li> <li>7. Bikrampur Investment &amp; Trading Pvt. Limited.</li> <li>8. Earl Investments Private Limited</li> <li>9. Merwanjee Trading Co. Private Limited</li> <li>10. J K Paper Limited</li> <li>11. The Calcutta Stock Exchange Association Limited</li> <li>12. Thomas Cook (Mauritius) Holding Company Limited</li> <li>13. Thomas Cook (Mauritius) Operations Company Limited</li> <li>14. Thomas Cook (Mauritius) Travel Limited</li> <li>15. Thomas Cook (Mauritius) Holidays Limited</li> <li>16. Thomas Cook Lanka Holdings Private Limited</li> <li>17. Airlines Services Lanka Private Limited</li> <li>18. Zodiac Clothing Company (UAE) LLC, Dubai</li> </ol>
2.	Mr. Manny Fontenla – Novoa S/o. Jesus Fontenla Novoa 54 years Non – Executive Director Occupation: Service Address: Brooks Edge, 7 Belfry Lane Collingtree Park Northampton NN4 0PB –UK	March 30, 2008 (appointed as Additional Director, regularized on June 27, 2008)	“O” Level in Spanish and Art	<ol style="list-style-type: none"> <li>1. Worldchoice Marketing Limited (a dormant company)</li> <li>2. Hispano Alemana de Management Hotelero S.A.</li> <li>3. Mediterranean Touristic Management S.L.</li> <li>4. Elegant Resorts Limited</li> <li>5. Hotels4u.com</li> <li>6. Thomas Cook Group Plc</li> <li>7. Thomas Cook Investments (1) Ltd</li> <li>8. Thomas Cook UK Travel Limited</li> <li>9. Thomas Cook Wholesale Limited</li> <li>10. Thomascook.com Limited</li> <li>11. Condor Flugdienst GmbH</li> <li>12. Portal Interactiv SL Unipersonal</li> <li>13. Thomas Cook AG</li> </ol>
3.	Dr. Juergen Bueser S/o. Walter Bueser	March 30, 2008 (appointed as	PHD in Mathematics	<ol style="list-style-type: none"> <li>1. Capitol Holding Limited</li> <li>2. Neilson Active Holidays Limited</li> </ol>

Sr. No.	Name, Father's name, Age, Designation, Occupation, Residential Address	Date of Appointment	Qualifications	List of Other Directorships
	42 Years Non – Executive Director Occupation: Service Address: 30, Panton Street, Cambridge, Cambs CB2, 1HP, UK	Additional Director, regularized on June 27, 2008)	and Theoretical Physics	3. Style Aviation Limited 4. Thomas Cook Personal Finance Limited 5. Thomas Cook UK Limited 6. Thomas Cook UK Travel Limited 7. Up Trips Limited
4.	Dr. Angus Porter S/o. Alastair Robert Wilson 51 years Non – Executive Additional Director Occupation: Service Address: 1, Beechwood Drive, Marlow, Buckinghamshire, SL7, 2DH, U.K.	July 29, 2008 (appointed as Additional Director)	M.A, PhD	Nil
5.	Mr. Michael Hallisey S/o. William Hallisey 55 years Non – Executive Director Occupation: Service Address: 6 Castlebar Road, Ealing – W5 2DP London, England	March 30, 2008 (appointed as Additional Director, regularized on June 27, 2008)	LLB from HULL University, Solicitor Passing Law Society Part II Examination	Please refer table below.
6.	Mr. Roland Zeh S/o. Karlheinz Zeh 39 years Non – Executive Director Occupation: Service Address: Deutschherenufer 45, 60594 Frankfurt, Germany	March 30, 2008 (appointed as Additional Director, regularized on June 27, 2008)	Diplom Kaufmann (Masters in Business Administration) from Johann- Wolfgang- Goethe- University	Nil
7.	Mr. Madhavan Menon S/o Karunakara Menon 53 years Managing Director Occupation: Service Address: Flat No. 702, Supreme Pearl, 17th Road, Khar (West) Mumbai – 400 052	May 1, 2006 (Appointed as Managing Director w.e.f. May 1, 2006. However, he has been on the Board since May 1, 2000)	B.A. (Business)- George Washington, University, U.S.A., M.B.A. (Fin & Intl Buss.), - George Washington University, U.S.A.	1. Thomas Cook Insurance Services (India) Limited 2. Thomas Cook Tours Limited 3. Indian Horizon Travel & Tours Limited 4. Thomas Cook (Mauritius) Holding Company Limited 5. Thomas Cook (Mauritius) Operations Company Limited 6. Thomas Cook (Mauritius) Holidays Limited 7. Thomas Cook (Mauritius) Travel Limited 8. Thomas Cook Lanka Holdings Private Limited. 9. Airlines Services Lanka Private Limited 10. Travel Corporation (India) Limited 11. Cedar Management Consulting Private Limited
8.	Mr. Vinayak K. Purohit S/o Kashinath Purohit 53 years	May 14, 2007 (Appointed as Additional	B. Com, Chartered Accountant	1. Travel Corporation (India) Limited

Sr. No.	Name, Father's name, Age, Designation, Occupation, Residential Address	Date of Appointment	Qualifications	List of Other Directorships
	Executive Director – Finance Occupation: Service Address: Flat No. 1003 / 1004, Astoria Bldg., 10th floor, Raheja Garden, Thane Pin code: 400 604	Director, regularized on June 25, 2007)		
9.	Mr. Hoshang Billimoria S/o Shavaksha Billimoria. 57 years Director (Independent) Occupation: Service Address: 4A Jeevan Jyot, Setalwad Lane, Off Nepean Sea Road, Mumbai -400 006	December 7, 1983 (Appointed as Additional Director, regularized on March 06, 1984)	Graduate in Commerce (Mumbai University), Chartered Accountant from the Institute of Chartered Accountants of England and Wales	1. Fenner Conveyor Belting Pvt. Limited 2. HDFC Asset Management Co. Limited 3. Travel Corporation (India) Limited 4. Gokak Textiles Limited
10.	Mr. A. V. Rajwade S/o Vishnu Rajwade 72 years Director (Independent) Occupation: Consultant. Address: 2, Parshwa Kunj, Malaviya Road, Vile Parle (East), Mumbai – 400057	January 21, 2006 (Appointed as Additional Director, regularized on March 28, 2006)	B. Sc. (Hons.) with Major in Statistics and also holds the membership of C.A.I.I.B.	1. Cybertech Systems and Software Ltd. 2. The Clearing Corporation of India Ltd. 3. Royal Sundaram Alliance Insurance Co. Ltd. 4. Reliance Asset Reconstruction Company Pvt. Limited 5. Zylog Systems Limited 6. Jak Mining Tools Private Limited 7. STCI Primary Dealer Limited
11.	Mr. Dilip De S/o Ajit De 67 years Director (Independent) Occupation: Business. Address: 51A, Maker Tower, Cuffe Parade, Mumbai - 400 005	January 21, 2006 (Appointed as Additional Director, regularized on March 28, 2006)	Graduation in Commerce from St. Xavier's College, Kolkata.	1. RST India Pvt. Ltd. 2. Integrated Marketing Pvt. Ltd. 3. De Shipping & Food Processing Pvt. Ltd. 4. De Investment Pvt. Limited
12.	Mr. Rakshit Desai S/o. Mr. Pradeep Desai 32 years Additional & Executive Director – Travel Services Occupation: Service Address: 46, Petersfield Mansions, Petersfield, Cambridge, United Kingdom CB11BB	November 25, 2008	B.Com., MBA (International Business), M.Sc. (Econ.)	Nil

All the Directors of our Company are liable to retire by rotation except Mr. Madhavan Menon, Managing Director whose term would expire on April 30, 2009. None of the Directors are relatives of each other.

For litigations involving our directors, please refer to section titled – “Outstanding Litigation, Defaults and Material Developments” beginning on page 227 of this Letter of Offer.



## Other directorships of Mr. Michael Hallisey:

Name of the Company	Name of the Company	Name of the Company
A. A. H. (1997) Limited	Intervoyages (G.B.) Limited	Thomas Cook Group Treasury Limited
A.T. Mays Group (Holdings) Limited	Italian Travel Service Limited	Thomas Cook Group UK Limited
A.T. Mays Investments Limited	Jetset Europe Limited	Thomas Cook Guernsey Limited
A.T. Mays The Travel Agents Limited	JMC Agents Limited	Thomas Cook Holidays Limited
Adrian Hayes Management Limited	JMC Travel Limited	Thomas Cook Interactive Limited
Airtours Holidays Limited	JMCA Services Limited	Thomas Cook Investments (1) Limited
Airtours Holidays Transport Limited	JMCH Services Limited	Thomas Cook Investments (2) Limited
Airtours Insurance Services Limited	John Hilary & Co. (Travel) Limited	Thomas Cook Limited
Airtours Investments Limited	Jupiter Leasing Limited	Thomas Cook Overseas Limited
Airtours Limited	Kestrel Leisure Limited	Thomas Cook Retail Limited
Airtours Quest Trustee Limited	Late Escapes Limited	Thomas Cook Services Limited
Airtours The Holiday Makers Limited	Manos (UK) Limited	Thomas Cook Signature Limited
Airtours Trustee Limited	Manos Aviation Limited	Thomas Cook Tour Operations Limited
Airtours Vacation Club Management Limited	MTG (UK) Limited	Thomas Cook Treasury Limited
Airtours Vacation Ownership Limited	MyTravel Aviation Leasing Limited	Thomas Cook TV Limited
Amsterdam Travel Service Limited	MyTravel Employment Services Limited	Thomas Cook UK Limited
Aspro Travel Limited	MyTravel Group plc	Thomas Cook UK Travel Limited
ATC (Franchising) Limited	MyTravel Ireland Limited	Thomas Cook USA Travel Services Limited
BCT Transport Brokers Limited	MyTravel North America Limited	Thomas Cook Wholesale Limited
Thomas Cook Scheduled Tour Operations Limited	MyTravel Pioneer Limited	thomascook.com limited
Belgian Travel Service Limited	Mytravel Points Limited	Time Off Limited
Blue Sea Overseas Investments Limited	MyTravel Tour Operations Limited	Tourmajor Limited
Bridge Tours Limited	MyTravel TV plc	Tradewinds Worldwide Holidays Limited
Bridge Travel Group Limited	MyTravel UK Limited	US Travel Service Limited
Bridge Travel Service Limited	NALG Holdings	Winston Rees (World Travel) Limited
Buzzard Leisure Limited	NALG Ireland	Thomas Cook Enterprises Limited
C&N UK PLC	Neilson Active Holidays Limited	Thomas Cook GiftBond Limited
Capitol Holdings Limited	Neilson Hellas A.E.	Thomas Cook Group Management Services Limited
Carousel Holidays Limited	O.A.Yacht Charter S.A.	Inspirations Group Pension Trustees Ltd
Carousel Resorts International Limited	Omicron Leasing (Orange) 1 Limited	Inspirations Holidays Limited
Compass Travel Limited	Orchid Travel Limited	Inspirations Plc
Couchant Properties Limited	Panorama Holiday Group Limited	International Airways Limited
Cresta Holidays (Holdings) Limited	Panorama Seat Broking Limited	Thomas Cook Direct Limited
Cresta Holidays Limited	Paris Travel Service Limited	Ski America Limited
Delight Information Systems CVBA	Parkway (UK) Investment Management Limited	Style Aviation Limited
Direct Aviation Limited	Parkway 2005 plc	Style Holidays Limited
Direct Holidays plc	Parkway Hellas Holdings Limited	Sun International (UK) Limited
Elvington Limited	Parkway IPR Limited	Sunset Developments Limited
Falcon Istioploiki Hellas S.A.	Peregrine Leisure Limited	Sunset Holidays Plc
FlexTravel Limited	Pluto Leasing Limited	Sunworld (Beach Villas) Limited
Flying Colours Airlines Limited	Rankin Kuhn Travel Limited	Swiss Travel Service Limited
Flying Colours Aviation Limited	Retail Travel Limited	TCIM Limited
Flying Colours Holidays Limited	Sandbrook Overseas Investments Limited	The BTN Finance Company
Flying Colours Leisure Group Limited	Shipping & Aviation Industries Limited	The French Selection Limited
Flying Colours Trustees Limited	Green Light Leasing Limited	The Travelworld Group Limited
Going Places Leisure Travel Limited	Highlight Travel Limited	Thomas Cook (Jersey) Limited
Going Places Limited	Holiday Matchmakers Limited	Thomas Cook (South East) Limited
Goldcrest Aviation Limited	Holidayline Limited	Thomas Cook Airlines UK Limited
Goldcrest International Charters Limited	Hoteltech International Limited	Thomas Cook Broking Limited
Golden Lion Travel Limited	HRLT	Thomas Cook Continental Holdings Ltd
Inhoco 3434 Limited	I.N.I.L. Limited	Thomas Cook Deutschland Limited
Inspirations Air Limited	I.T. Travel Limited	Inspirations East Limited
In Touch (IT) Business Centres Limited	Airtours Channel Islands Limited	Airtrack Services Limited
Elegant Resorts Transport Limited	MyTravel Licensing S.a.r.l.	MyTravel Luxemburg S.a.r.l.
Orlando (ABC) Limited	Parkway Holdings UK BV	Parkway International S.A.R.L.
Parkway SA	Resorts Mallorca Hotels International S.L.	Thomas Cook Destination Services Inc.



## Brief Profile of the Board of Directors

**Mr. Udayan Bose**, Non Executive Chairman, is an international Banker and was born on April 23, 1949. He joined our Company as its Non-Executive Chairman with effect from January 21, 2006. Mr. Bose studied at St. Xavier's School, Kolkata and graduated with 1st class with Chemistry (Hons.) and Mathematics as Majors from Presidency College, Kolkata. He is a Fellow of the Chartered Institute of Bankers, U.K. and has done Advanced Management at Harvard Business School, USA. Mr. Bose spent his first 11 years with Grindlays Bank in India and U.K. He then joined Deutsche Bank Asia, where he became Regional Director of South Asia. In 1985, he left Deutsche Bank to set up India's first Investment Bank called CreditCapital, which eventually was bought out by Lazard LLC. He was Chairman of CreditCapital/ Lazard India from 1985 to 2005 and led some spectacular transactions. He also became Managing Director and General Partner of Lazard (2001 - 2005), the first Indian to reach that position. Through 1986 till 1997, Mr. Bose was Advisor to the Union Bank of Switzerland. He has also served on the Advisory Board of The Economic Intelligence Unit of the Economist. Currently, Mr. Bose is also the founder Chairman of India's first Buyout Fund, Tamara Capital, a Fund formed to take controlling interest in under-performing Indian companies.

**Mr. Manny Fontenla-Novoa**, is the Chief Executive Officer of Thomas Cook Group plc. Mr. Fontenla-Novoa is also director of Worldchoice Marketing Limited (a dormant company), Hispano Alemana de Management Hotelero S.A. and Mediterranean Touristic Management S.L. Mr. Fontenla-Novoa was previously Chairman of the management board of Thomas Cook and Chief Executive Officer of Thomas Cook UK and Ireland.

**Dr. Jürgen Büser** was announced as Chief Financial Officer for Thomas Cook Group plc on 24 June 2008. Previously Chief Financial Officer for Thomas Cook UK & Ireland, a position he held since June 2007 when Thomas Cook Group plc was formed following the merger of Thomas Cook AG and MyTravel plc. In July 2006, he joined Thomas Cook UK Ltd as Chief Financial Officer. Prior to this he spent three years for the German parent company, Thomas Cook AG, as Group Head of Controlling and M&A. During his last 18 months there, Jürgen was responsible for the definition and successful execution of a large scale, international divestiture programme aimed at focussing on the Group's core business. Prior to joining Thomas Cook, Jürgen collected nine years of experience in the Financial Service arena working as Head of Operations Europe for Siemens Financial Services debt operations; in the Financial Service Practice of the international consulting firm Booz Allen & Hamilton; and in the Risk Support & Control group of Westdeutsche Landesbank, Germany's largest public sector bank Jürgen holds a Ph.D. in Mathematics and Theoretical Physics and has lectured at a variety of universities including Warwick University and King's College, London.

**Dr. Angus Porter** has been Global CEO of Added Value, WPP's Brand Development Consultancy, with blue-chip clients including Vodafone, Pepsico and Nestle. Before Added Value, Angus worked for Abbey National, British Telecom and Mars in Senior Marketing, Sales and General Management roles, listing amongst his achievements the successful launches of Celebrations Chocolates and BT Broadband, and the re-launches of the BT and Abbey brands

**Mr. Michael Hallisey** is responsible for the Legal department of Thomas Cook UK Limited. He qualified as a Solicitor in the UK in 1978 and joined Thomas Cook in September 1992. Prior to that, he was employed as a legal adviser to the TSB Group Plc and also to Midland Bank Plc.

**Mr. Roland Zeh** was appointed Head of Special Finance Projects for Thomas Cook Group plc. in July 2008 having previously held the position Director Finance Integration for Thomas Cook Group UK & Ireland. In this role, Roland has responsibility for the integration of the finance processes and systems following the merger between Thomas Cook and MyTravel for the UK operations. In his previous role as Vice President Portfolio Management / Mergers & Acquisitions Roland managed various disposal and acquisition projects, including the merger between Thomas Cook and MyTravel in June 2007 with the completion of the listing of the shares in the holding company Thomas Cook Group plc on the London Stock Exchange. Roland started as Head of Group Planning, Value Based Management, Investment Controlling and Risk Management with Thomas Cook in April 2003. Roland qualified from Johann-Wolfgang-Goethe University with a MBA degree. His career began with Fresenius Medical Care Deutschland GmbH. Prior to joining Thomas Cook, Roland worked as Director Corporate Controlling in a subsidiary of Deutsche Lufthansa AG in the USA, in Germany and in Hong Kong.

**Mr. Madhavan Menon**, has been awarded a Bachelor of Arts Degree in Business and an MBA in Finance & International Business, both from George Washington University, USA. Mr. Menon was appointed as an Additional and Executive Director-Foreign Exchange for 3 years with effect from May 1, 2000 to April 30, 2003.





He was re-appointed for a further period of 3 years with effect from May 1, 2003 to April 30, 2006. Mr. Menon has been appointed as the Managing Director of our Company with effect from April 27, 2006. He has a total experience of over 24 years. His last assignment was as Chief Operations & Administrative Officer of Birla Sunlife Asset Management Co. (AMC) Ltd. His expertise spans over Banking, Finance and Travel-related Foreign Exchange Management. His responsibilities in our Company include achievement of planned revenues through business development and growth.

**Mr. Vinayak K. Purohit**, Executive Director - Finance, was born on November 03, 1955 and is a Bachelor of Commerce and a Chartered Accountant. He was appointed as Executive Director-Finance on May 14, 2007. He has 27 years of commendable experience in Finance, Controllership, Treasury, Administration, Sourcing, Dealings (Back Office), which are his key areas of control in our Company. Previously he has worked in Nirlon, Britannia, Marico Industries, G E Countrywide, Rediff.Com, BPL Telecom, Crest Animation and H.T. Media. As an Executive Director of our Company, he has the overall responsibility for the Finance and Controllership functions, the management of the Treasury function as also overseeing the Administration, Sourcing & Dealings (Back Office) functions of our Company.

**Mr. Hoshang Shavaksha Billimoria**, Director, was born on July 07, 1951 and is the Chief Executive Officer of Next Gen Publishing Ltd., a Forbes Group and HDFC venture. A Chartered Accountant from England & Wales, Hoshang started his career in India with S. B. Billimoria & Company, Chartered Accountants, and was a partner in the firm for 10 years. He moved to Tata Sons Ltd., as Deputy Chief Executive Officer and subsequently to Tata Press Ltd., as Managing Director and then Vice Chairman & Managing Director. During his stint of 14 years at Tata Press, the Company saw 14 successive years of increased profits and dividends. He was responsible for the launch of the Tata Press Yellow Pages and several special interest magazines. Hoshang is also an Independent Director on the board of companies like HDFC Asset Management Company Ltd., Fenner Conveyor Belting Pvt. Ltd etc.

**Mr. A. V. Rajwade**, Director, was born on September 29, 1936, and is working as an independent risk management consultant for more than two decades now. He did his post-graduate in statistics before working with State Bank of India from July 1957 to October 1976 (including 3½ years in London). He has been a weekly columnist in business dailies for more than 25 years and has authored several books. As a visiting professor, he taught a paper "International Banking and Finance", for 4 years at the Indian Institute of Management, Ahmedabad, one of the most prestigious management institutes in the world, and more recently at the Dubai Campus of the S P Jain Center of Management. He was a member of the Reserve Bank of India constituted Expert Group on Development of the Foreign Exchange Markets in India (1995) and of the two Committees on Capital Account Convertibility (1997 and 2006). Mr. Rajwade currently holds the position of a director in several public and private limited companies as well as Member/ Chairman of various Committees of these companies. He is also a former member of the supervisory board of India Opportunities Fund, Bermuda and Mauritius, and Director of CRISIL, India's first credit-rating company. He has been appointed as a Director on the Board of Directors of our Company w.e.f. January 21, 2006.

**Mr. Dilip De**, Director, was born on September 19, 1941. He is a businessman and currently the Chairman and Managing Director of RST India Private Limited., formerly known as Ranadip Shipping and Transport Co. Private Limited, Integrated Marketing Pvt. Ltd. and De Shipping and Food Processing Pvt. Ltd. Mr. De started his career with an American Shipping Company – Everett Steamship Corporation after which he spent the next 12 years with the P & O Group, London. Mr. De has served on various Chambers of Commerce and Business Councils. He is also the first Indian to receive the coveted recognition of Honorary Branch Pilot from the Port of Charleston, South Carolina, USA. Mr. De is a Vice-President of the prestigious Orchid Society of India, which is affiliated to the Ministry of Science and Technology, Dept. of Biotechnology, Government of India and the Punjab University. Mr. De has done his Senior Cambridge at La Martiniere School, Kolkata and read B.Com. at St. Xavier's College, Kolkata.

**Mr. Rakshit Desai**, Executive Director – Travel Services, was born on February 20, 1976 and is a B.Com. (Sydenham College, Mumbai University), MBA in International Business (Graduate School of Management, Griffith University, Australia) and M.Sc. (Econ.) PWE (The London School of Economics & Political Science (LSE), London, UK). He has been appointed as Executive Director – Travel Services with effect from November 25, 2008. He started his career with a brief stint at Contract Advertising, Mumbai in 1998. He then joined Roland Berger Strategy Consultants, London in 2000 where he specialised in strategic and transformational issues for major multinational corporations. In 2003, he joined the Thomas Cook Group. At Thomas Cook, he has the privilege of engaging across a broad range of strategic, commercial and operational areas internationally. The



successful restructuring and turnaround of the Canadian retail business led to a series of Director - level roles responsible for: the outsourcing and offshoring of the UK back office; leading the operations of thomascook.com; M&A in Financial Services; and lately membership of the UK Executive Board overseeing strategic planning, post-merger integration and general business transformation. He has worked and travelled extensively across Europe, the Middle East and North America.

### **Borrowing Powers**

The Board of Directors of our Company is authorised to borrow under the provisions of its Memorandum and Articles of Association. The shareholders of our Company have, by their resolution dated August 31, 2006 authorised the Board to borrow an amount up to Rs.50,000 Lacs (Rupees fifty thousand lacs).

### **CORPORATE GOVERNANCE**

The composition of Board of Directors, Audit Committee, Recruitment and Remuneration Committee, Share Transfer & Shareholders' / Investors' Grievance Committee are in compliance with the requirement of Clause 49 of the Listing Agreement and Circular No. SEBI/ CFD/DIL/CG/1/2004/12/10 dated October 29, 2004.

### **Board of Directors ('Board'):**

#### **Size of the Board**

As on date, the Board consists of twelve (12) members with three (3) Executive Directors and nine (9) Non-Executive Directors. Of these, four (4) are Independent Directors, one (1) is Additional Non-Executive Director and one (1) is Additional Executive Director. The Chairman of the Board is an Independent & Non-Executive Director.

#### **Responsibilities**

The Board members are expected to attend and participate in all the Board meetings and Committee meetings in which they are members. The Board of Directors' responsibilities include reviewing corporate performance, ensuring adequate availability of financial resources and reporting to shareholders. The Board members ensure that their other responsibilities do not materially impact their responsibility as a Director of the Company. The Board constantly evaluates the contribution of its members and recommends their reappointment to its shareholders.

#### **Composition of Board of Directors**

<b>Name of the Director</b>	<b>Designation</b>	<b>Category *</b>
Mr. Udayan Bose	Chairman	I & NED
Mr. Manny Fontenla-Novoa	Director	NED
Dr. Angus Porter	Director	A & NED
Dr. Juergen Bueser	Director	NED
Mr. Roland Zeh	Director	NED
Mr. Michael Hallisey	Director	NED
Mr. H. S. Billimoria	Director	I & NED
Mr. A. V. Rajwade	Director	I & NED
Mr. Dilip De	Director	I & NED
Mr. Madhavan Menon	Managing Director	ED
Mr. Vinayak Purohit	Executive Director – Finance	ED
Mr. Rakshit Desai	Executive Director – Travel Services	ED

\* ED – Executive Director  
A – Additional Director

NED – Non-Executive Director I – Independent Director

## 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.

The following committees of the Board of Directors have been constituted:

- Audit Committee;
- Recruitment and Remuneration Committee
- Share Transfer & Shareholders' / Investors' Grievance Committee

### **Audit Committee**

The Audit Committee consists of five (5) Non-Executive Directors of whom three (3) are independent as on date.

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

### **Terms of Reference**

The Audit Committee reviews and reports to the Board on the following:

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

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

### **Composition of the Audit Committee:**

The Composition of the Audit Committee is as follows:

Sr. No.	Name of Director	Designation	Category *
1.	Mr. H. S. Billimoria **	Chairman	I & NED
2.	Mr. Dilip De	Member	I & NED
3.	Mr. A. V. Rajwade	Member	I & NED
4.	Dr. Juergen Bueser	Member	NED
5.	Mr. Roland Zeh	Member	NED
6.	Mr. Madhavan Menon	Managing Director	Invitee
7.	Mr. Vinayak Purohit	Executive Director – Finance	Invitee

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

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

### **Recruitment & Remuneration Committee:**

As per amended guidelines of the law, the Recruitment & Remuneration Committee as on date comprises of three (3) Directors. All the three (3) are Non-Executive Directors, of whom two (2) are Independent Directors. The Head of Human Resources acts as the Rapporteur.

## Terms of Reference

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

### Composition of the Recruitment & Remuneration Committee:

Sr. No.	Name of the Director	Designation	Category*
1.	Mr. A. V. Rajwade	Chairman	I & NED
2.	Mr. Udayan Bose	Member	I & NED
3.	Dr. Angus Porter	Member	A & NED

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

### Share Transfer & Shareholders' / Investors' Grievance Committee:

## Terms of Reference

The Share Transfer & Shareholders' / Investors' Grievance Committee consists of five (5) Directors, of whom three (3) are Non-Executive Directors and two (2) are Executive Directors as on date. The Committee approves transfer of shares, splitting and consolidation of shares and issue of duplicate share certificates. The Company Secretary acts as the Secretary to the Committee.

### Composition of the Committee:

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

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

**Name and Designation of Compliance Officer:** Mr. R. R. Kenkare, President & Head – Legal & Company Secretary

Apart from the above Statutory Committees as required under Clause 49 of the Listing Agreement, the Company also has the following Committee:

### Sub-Committee of the Board:

## Terms of reference

The Board of Directors formed a Sub-Committee to handle day-to-day, routine matters other than those specifically required to be decided by the Board of Directors as prescribed by the Companies Act, 1956. The Committee, as on date, comprises of two (2) Executive Directors.



## Composition

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

\* ED – Executive Director

NED – Non-Executive Director

I – Independent Director

## Shareholding of our Directors

As per Article 115 (1) and 120 of the Articles of Association of our Company our Directors are not required to hold any qualification shares under our Articles of Association. As on September 5, 2008, none of the Directors of our Company hold any equity shares of our Company either in their personal capacity or as joint holders.

## Terms of appointment of our Managing Director and Whole time Directors are as follows:

Our Company entered into a service agreement dated June 30, 2006 with Mr. Madhavan Menon for appointing him as Managing Director of our Company for a period for a period of three (3) years with effect from May 01, 2006 and amended the same by way of a supplementary service agreement dated May 18, 2007. The members of our Company vide Postal Ballot resolution dated August 31, 2006 and in the General Meeting held on June 25, 2007 approved the service agreement and supplemental service agreement respectively. Below mentioned are the terms and conditions of the Agreement dated June 30, 2006 and subsequent amendments thereto, between our Company and Mr. Madhavan Menon:

### A) Salary

In the scale of Rs. 3,50,000 to Rs. 5,50,000 (Rupees Three Lacs Fifty Thousand Only to Rupees Five Lacs Fifty Thousand Only) per month subject to such annual increments as the Board may determine and approve with effect from February 1, 2007

### B) Performance Bonus:

Performance linked bonus as the Board may in its absolute discretion determine, subject to the ceiling prescribed in that behalf of the Companies Act, 1956 or statutory modification or re-enactment thereof for the time being in force ("the said Act").

### C) Accommodation:

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

### D) Perquisites:

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

### E) Medical Insurance:

Medical Hospitalization Insurance (Mediclam) for Mr. Menon and his family comprising of spouse and dependent children upto the age of 21 (Twenty One) years and Personal Accident Insurance of Mr. Menon only as per the Company policy.

- Mr. Menon will also be entitled to undergo an Annual Comprehensive Health Check Up, the cost of which will be borne by the Company.
- The value of such Insurance and cost of Health Check Up shall not be included in the computation of the ceiling on the remuneration or perquisites aforesaid.



#### F) Retirement Benefits:

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

#### G) Use of Car and Telephone:

- Provision for reimbursement calculated for one air- conditioned D segment car as detailed in the Compensation and Benefits sheet attached hereto.
- Mr. Menon will be provided with a telephone at residence on a Company owned telephone line, fax machine, and mobile phone (including payments for local calls and long distance official calls).

#### H) Annual Leave:

Mr. Menon is entitled to Annual Leave of 30 days, inclusive of Casual Leave and Sick Leave. Administration of this leave will be in accordance with the Rules and Regulations of the Company.

### **Agreement with Mr. Vinayak K. Purohit**

Our Company entered into a service agreement dated May 14, 2007 with Mr. Vinayak K. Purohit for appointing him as a Whole Time Director (Executive Director – Finance) of our Company for a period of three (3) years with effect from May 14, 2007 and varied terms vide supplemental service agreement dated November 30, 2007. The members of our Company in the General Meeting held on June 25, 2007 and June 27, 2008 approved the service agreement and supplemental service agreement respectively. Below mentioned are the terms and conditions of the Agreement dated May 14, 2007 and subsequent amendments thereto, between our Company and Mr. Vinayak K. Purohit:

#### A) Salary:

In the scale of Rs. 2,00,000 to Rs. 4,00,000 (Rupees Two Lacs to Four Lacs Only) per month subject to annual increments as the Board may determine and approve.

#### B) Performance Bonus:

Performance linked bonus as the Board may in its absolute discretion determine, subject to the ceiling prescribed in that behalf under the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force ("the said Act").

#### C) Joining Bonus:

An amount of Rs. 12,00,000 (Rupees Twelve Lacs Only) will be paid to Mr. Vinayak K. Purohit on joining the Company.

#### D) Retention Bonus:

An amount of Rs. 20,00,000 (Rupees Twenty Lacs Only) per annum will be paid to Mr. Vinayak K. Purohit as Retention Bonus. This payment will be made every year in four equal installments of Rs. 5,00,000 (Rupees Five Lacs Only) each per quarter, during the period of this contract.

#### E) Structured Compensation:

The Company would pay Mr. Vinayak K. Purohit Rs. 16,00,000 (Rupees Sixteen Lacs Only) (over and above the amount stated in the Compensation & Benefits Worksheet and Clause B, C and D above) when he joins in the form of a Structured Compensation Plan (if implemented, and subject to approval from the Board). However, if the Structured Compensation Plan is not implemented, the amount of Rs. 16,00,000 would be adjusted as ex gratia (over and above the amounts stated in Clause B, C, and D above)



If Mr. Vinayak K. Purohit leaves within a year of joining, then the amount of Rs. 16,00,000 (Rupees Sixteen Lacs Only) as also the joining bonus of Rs. 12,00,000 (Rupees Twelve Lacs Only) will be refunded back to the Company, and the Company shall have the right to adjust the same from his final settlement.

F) Accommodation:

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

G) Perquisites:

Perquisites together with utilities such as medical reimbursement, leave travel allowance for himself and his family, and the like in accordance with the rules of the Company or as agreed by the Board of Directors. The total value of such perquisites to be restricted to an amount not exceeding Mr. Vinayak K. Purohit's annual Basic salary. An amount towards this has been indicated in the Compensation & Benefits Sheet attached hereto.

H) Medical Insurance:

Medical Hospitalisation Insurance (Mediclam) for Mr. Vinayak K. Purohit and his family comprising of spouse and dependent children upto the age of 21 (Twenty One) years and Personal Accident Insurance of Mr. Vinayak K. Purohit only as per the Company policy.

Mr. Vinayak K. Purohit will also be entitled to undergo an Annual Comprehensive Health Check Up, the cost of which will be borne by the Company.

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

I) Retirement Benefits:

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

J) Use of Car and Telephone:

- Provision for reimbursement calculated for one air-conditioned D segment car as detailed in the Compensation and Benefits sheet attached hereto.
- Mr. Vinayak K. Purohit will be provided with a telephone at residence on a Company owned telephone line, fax machine, and mobile phone (including payments for local calls and long distance official calls).

**Proposed terms of the agreement with Mr. Rakshit Desai**

Rakshit Desai has been appointed as a Whole Time Director (Executive Director – Travel Services) of our Company for a period of two (2) years with effect from November 25, 2008. The Board of Directors of the Company has, on recommendation of the Recruitment & Remuneration Committee, vide its circular resolution dated November 25, 2008, approved the appointment of Mr. Rakshit Desai as Additional Director designated as "Executive Director – Travel Services", subject to the approval of the members of our Company at the next general meeting of our Company and subject to such further approvals including that of the Central Government, if any, as may be required under the applicable law. Below mentioned are the proposed brief terms and conditions of the said agreement:

A) Salary:

In the scale of Rs. 6 lakh to Rs. 9 lakh (Rupees six lakh to Rupees nine lakh only) per month subject to such annual increments as the Board may determine and approve.



B) Performance Bonus:

Performance bonus as the Board may in its absolute discretion determine, subject to Mr. Desai's performance being satisfactory.

C) Accommodation:

Accommodation as per the Company's policy or House Rent allowance in lieu thereof; all rental costs, security deposit and local taxes and the like relating thereto to be borne by the Company on actual basis.

D) Perquisites:

Perquisites together with utilities such as club fees, reimbursement of medical expenses, leave travel allowance, children education allowance and the like in accordance with the rules of the Company or as agreed by the Board of Directors.

E) Medical Insurance, Health Check-up & Personal Accident Insurance:

A suitable medical insurance policy, covering hospitalization of Mr. Desai and his family, whilst Mr. Desai is in the employment of the Company; an Annual Comprehensive Health Check Up, the cost of which will be borne by the Company and a Personal Accident Insurance, as per Company's Policy.

F) Retirement Benefits:

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

G) Use of Car and Telephone:

- a. Mr. Desai and his family shall be entitled to the use of a suitable air-conditioned car and all expenses for the maintenance, running and upkeep of such car.
- b. Mr. Desai shall be entitled to the use of a telephone (company owned telephone line) at his residence, fax machine, and mobile phone, the rent, call charges (including payments for local calls and long distance official calls) and all other outgoings (excluding personal long distance calls) in respect thereof being paid by the Company.

H) Annual Leave:

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

The said agreement with Mr. Rakshit Desai is yet to be signed.

Apart from the above, there are no benefits upon termination of employment to all our Directors.

**Details as to the remuneration of directors for the last three years:**

All our non-executive Directors are entitled to sitting fees of Rs. 10,000/- per Board meeting and Rs. 10,000/- per meeting of a committee of the Board. The following Executive Directors were paid remuneration for the last three years as under:

Name of the Director	For the year ended October 31, 2005 (in Rs.)	For the year ended December 31, 2006 (in Rs.)	For the year ended December 31, 2007 (in Rs.)
Mr. A. Kakkar*	1,24,49,497	3,18,18,281	-
Mr. M. Menon	80,43,476	1,09,22,938	1,63,61,969
Mr. R. Banerjee**	56,32,737	86,10,268	176,380
Mr. Vinayak K Purohit	-	-	98,54,349



Mr. Rakshit Desai**	-	-	-
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\* Resigned on January 21, 2006 pursuant to change in management

\*\* Resigned on January 12, 2007

\*\*\* Appointed on November 25, 2008 as Additional Director designated as “Executive Director – Travel Services”

#### Details of Loans given to our Directors / Key Managerial Employees:

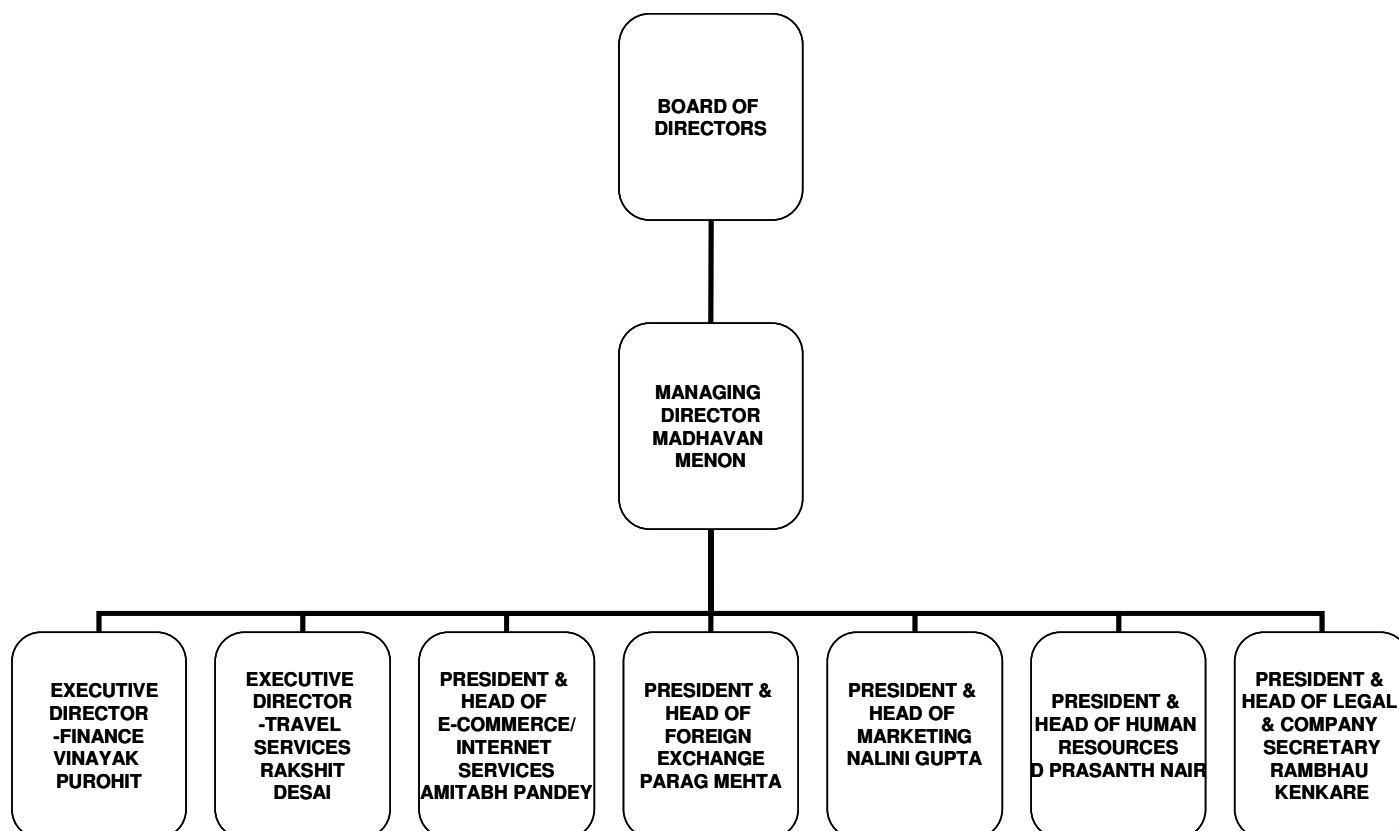
As on the date of filing of the Letter of Offer, there are no loans have been given to our Directors / Key Managerial Employees.

#### Changes in our Board of Directors during the last three years

Name of Director	Date of appointment	Date of resignation	Remarks
Mr. Peter Fischer (Alternate Director)	August 25, 2005	December 15, 2006	Ceased to be Director as the original director attended the meeting.
Dr. Juergen Bueser	August 25, 2005	January 21, 2006	Change in Management
Mr. Roland Zeh	August 25, 2005	January 21, 2006	Change in Management
Dr. Thomas Doering	August 22, 2003	January 21, 2006	Change in Management
Mr. Heinz-Ludger Heuberg	February 27, 2004	January 21, 2006	Change in Management
Mr. Ian Ailles	June 8, 2001	January 21, 2006	Change in Management
Mr. Lester Porter	February 26, 1995	January 21, 2006	Change in Management
Mr. Ashwini Kakkar	June 16, 1997	January 21, 2006	Change in Management
Ms. Ellen Nehs (Alternate Director)	August 25, 2005	January 21, 2006	Change in Management
Mr. Colin McKinlay (Alternate Director)	August 25, 2005	January 21, 2006	Change in Management
Mr. Uwe Kroeger (Alternate Director)	August 25, 2005	January 21, 2006	Change in Management
Ms. Annette Hoehner (Alternate Director)	August 25, 2005	January 21, 2006	Change in Management
Mr. Bernd Lienhard (Alternate Director)	August 25, 2005	January 21, 2006	Change in Management
Mr. Udayan Bose	January 21, 2006	--	Change in Management
Mr. Sayanta Basu	January 21, 2006	March 30,2008	Change in Management
Mr. AbdulHakeem Kamkar	January 21, 2006	March 30,2008	Change in Management
Ms. Jacqueline Asher	January 21, 2006	March 30,2008	Change in Management
Mr. Dilip De	January 21, 2006	--	As Independent Director
Mr. A. V. Rajwade	January 21, 2006	--	As Independent Director
Mr. A. G. Kalmankar	March 17, 2005	March 11, 2006	Change in Nomination by SBI
Mr. K. Digvijay Singh	October 13, 1999	April 27, 2006	Resignation
Mr. Madhavan Menon	May 01, 2006	--	Appointed as Managing Director at the Board Meeting held on April 27, 2006 from Executive Director – Foreign Exchange
Mr. S. K. Hariharan	June 30, 2006	August 10, 2006	Change in Nomination by SBI
Mr. Robin Banerjee	April 2, 2004	January 12, 2007	Resignation
Mr. Mahendra Doshi	February 7, 2007	March 30,2008	Resignation
Mr. Vinayak K. Purohit	May 14, 2007	--	Appointed as Executive Director – Finance

<b>Name of Director</b>	<b>Date of appointment</b>	<b>Date of resignation</b>	<b>Remarks</b>
Mr. Yeluri Vijayanand	August 10, 2006	August 31,2007	Resignation
Mrs. Bharati Rao	November 24, 2007	April 10,2008	Change in Nomination by SBI
Mr. R. Sridharan	April 28,2008	July 14,2008	Resignation
Mr. Manny Fontenla-Novoa	March 30,2008	--	Change in Management
Dr. Juergen Bueser	March 30,2008	--	Change in Management
Mr. Roland Zeh	March 30,2008	--	Change in Management
Mr. Michael Hallisey	March 30,2008	--	Change in Management
Dr. Angus Porter	July 29,2008	--	Change in Management
Mr. Rakshit Desai	November 25, 2008	--	Appointed as Executive Director – Travel Services

### Management Organisation Structure





## Our Key Managerial Personnel

The key managerial personnel of our Company are as follows:

Name, Designation & Qualification	Age (Years)	Previous Employment	Date of Joining	Experience with our Company (Years)	Experience in Industry in which our Company operates (Years)	Total Experience (Years)	Gross Salary for period ended December 31, 2007 # (Rs. in lacs)
<b>Mr. Parag Mehta</b> President & Head – Foreign Exchange Science Graduate & Executive Business Management from Harvard Business School	47	LKP Forex Ltd.	January 1, 1990*	2	17	17	62.40
<b>Ms. Nalini Gupta</b> President & Head – Travel Businesses Masters of Marketing Management, B.Com., Diploma in Mass Communication & French	54	South African Airways	May 1, 2007	1.5	32	32	74.99
<b>Mr. Amitabh Pandey</b> President & Head – Internet and E-Commerce BA Hons. (Economics), MA (Economics)	50	Indian Railway Catering & Tourism Corporation Limited, Ministry of Railways, Govt. of India	June 1, 2007	1.5	1.5	26	33.42
<b>Dr. D. Prasanth Nair</b> President & Head – Human Resources B. Tech. & Fellow Programme in Management (Doctoral Programme, IIM Ahmedabad)	38	Wockhardt Limited	May 9, 2005	3.5	3.5	10	54.49
<b>Mr. Rambhau Kenkare</b> President & Head – Legal & Company Secretary, B.Com, L.L.B., F.C.S, A.C.I.S (UK), M.I.C.A	43	Blue Dart Express Limited	December 1, 1998	10	10	19	63.79

\* LKP Forex Limited merged into our Company with effect from February 01, 2007. Mr. Parag Mehta's appointment is considered with effect from January 01, 1990 i.e. the date he joined LKP Forex Limited.



# Remuneration shown above includes salary, bonus, commission, house rent allowance, company's contribution to provident fund and other funds and expenditure incurred by our Company on housing, car, electricity, water, gas, medical and leave travel allowance and other allowances.

### **Brief profile of the Key Managerial Personnel**

#### **Mr. Parag Mehta**

Mr. Parag Mehta, born on August 15, 1961, is a Business Management Graduate from Harvard. He has also done his Bachelors in Science. He has previously worked for F.R. Ratnagar & Co. (a family business) and LKP Forex Ltd. from where he joined after its merger with our Company. He has a total experience of more than 18 years. He is presently the President & Head - Foreign Exchange and is Responsible for the Foreign Exchange business of the Company, including the Dealings front office function.

#### **Ms. Nalini Gupta**

Ms. Nalini Gupta, born on February 25, 1954, is a Commerce Bachelor, a Master of Marketing Management (MMM), and also has a Diploma in Mass Communication and a Diploma in French. With a long experience of 31 years, she has also worked for Air India, Interglobe Air Transport and South African Airways. She joined our Company in May 2007 and is presently the President & Head - Travel Businesses. She has overall responsibility for the growth and operations of the Travel Businesses - Corporate Travel, Leisure - Outbound, Inbound and Domestic.

#### **Mr. Amitabh Pandey**

Mr. Amitabh Pandey, born on January 11, 1958, holds a Master's Degree in Commerce and has a total experience of more than 26 years. He has previously worked for Indian Railway Catering & Tourism Corporation Ltd. and the Government of India, Ministry of Railways, before joining our Company in June 2007. He is presently the President & Head – e Business, and is responsible for conceptualising and initiating the E-Business strategy for our Company - resulting in overall growth of business.

#### **Dr. D. Prasanth Nair**

Dr. D. Prasanth Nair, born on July 20, 1970, has done his Fellow Programme in Management (Equivalent to Doctorate in Human Resources Management) after doing a Bachelor's degree in Technology. He has previously worked with GEC Alstom India Limited, RPG Group and Wockhardt Limited, and has a total experience of 10 years with more than 3 years have been in our Company. He is presently the President & Head - Human Resources and is responsible for the entire gamut of H.R., encompassing Training, Organisation Development, Performance Management, Recruitment, Compensation Management, Industrial Relations, Personnel Management for our Company and our subsidiaries.

#### **Mr. Rambhau Kenkare**

Mr. Rambhau Kenkare, born on June 1, 1965, is a graduate in Commerce and Law. He is also a Fellow Member of The Institute of Company Secretaries of India, a Member of the Institute of Chartered Secretaries & Administrators, London and a of Member - Indian Council of Arbitration. He has a total experience of 20 years, of which more than 10 years have been in our Company. He has previously worked with organisations like Blue Dart Express Ltd. and Damania Airways. He is currently the President & Head - Legal & Company Secretary and manages Legal, Secretarial, Regulatory Compliance in India, Mauritius, Sri Lanka, and Indian subsidiaries.

All the above-mentioned key managerial personnel are permanent employees of our Company and are not employed by any of our subsidiaries. None of them are relatives of each other.



## Shareholding of Key Managerial Personnel in our Company

Following is the shareholding of our key managerial personnel in our Company as on September 30, 2008:

Sr. No.	Names of our Key Managerial Personnel	No. of Equity Shares held
1	Mr. Parag Mehta*	4,000
2	Ms. Nalini Gupta	1,000
3	Mr. Amitabh Pandey	Nil
4	Dr. D. Prasanth Nair	Nil
5	Mr. Rambhau Kenkare	Nil

\* Second Holder

## Bonus or Profit Sharing Plan for our Key Managerial Employees

Our Company has no fixed bonus or profit sharing plan for its Key Managerial Employees.

## Employee Stock Option Plan

For details please refer to “Capital Structure - Thomas Cook Employees Stock Option Plan 2007” on page 26 of this Letter of Offer.

## Payment or Benefit to Officers of our Company (Non-Salary Related)

No amount or benefit has been paid or given within the two preceding years (December 1, 2006 to November 30, 2008) or intended to be given to any of the directors or key managerial personnel except payments made to:

- Two of the current Directors: Rs. 65.91 Lacs
- Key Managerial Personnel: Rs. 34 Lacs
- Other Officers: Rs. 236.86 Lacs

## Changes in our Key Managerial Personnel during last three years

Name and designation of the employee	Date of Appointment	Date of Resignation	Reason for change
Mr. S.S. Herwadkar Head of Business Process Improvement & Audit	October 01, 1996	June 30, 2006	Resignation
Mr. Gautam Sharma President & Head – (Marketing & Financial Services)	July 10, 2006	September 1, 2008	Appointment & Resignation
Mr. Anil Nadkarni Head of Information Technology	May 14, 1997	January 31, 2007	Resignation
Mr. Aashutosh Akshikar Head of Travel Businesses	November 01, 1991	January 31, 2007	Resignation
Mr. Parag Mehta President & Head – (Foreign Exchange)	January 1, 1990	-	Appointment pursuant to merger of LKP Forex Limited with our Company with effect from February 01, 2007. Mr. Parag Mehta's appointment is considered with effect from January 01, 1990 i.e. the date he joined LKP Forex Limited.
Mrs. Nalini Gupta President & Head – (Travel Businesses)	May 02, 2007	-	Appointment
Mr. Amitabh Pandey, President & Head – (Internet and E-Commerce)	June 01, 2007	-	Appointment



## **Interest of Promoter and Promoter Group, Directors and Key Managerial Personnel**

Except as stated under the heading “Related Party Transactions” and “Intellectual Property” on page 170 & 195 and 73 of this Letter of Offer, and to the extent of shareholding in our Company, our Promoter and Promoter Group do not have any other interest in our business.

All Directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them under our Articles of Association. All our Directors may also be deemed to be interested to the extent of Equity Shares and stock options granted to them under the ESOP Scheme, if any, held by them or that may be subscribed for and allotted to them, out of the present Issue in terms of this Letter of Offer and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. None of our Directors are interested in any advances or facilities that have been provided by us to their relatives or persons in which such relatives are interested.

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business or to the stock options granted to them under the ESOP Scheme and to the extent of the Equity Shares held by them in our Company, if any.



## PROMOTERS AND PROMOTER GROUP

Our Company was initially a part of the Thomas Cook Group. It was a subsidiary of TCOL, an unlisted private company incorporated under the laws of England and Wales having its registered office at Peterborough, England, U.K. TCOL held 60% of the paid-up capital of our Company. At that time, TCOL was a wholly owned subsidiary of Thomas Cook UK Limited. On December 5, 2000, Condor & Neckermann Touristic AG now known as Thomas Cook AG ("TCAG"), through its wholly owned subsidiary, Eurocenter Beteiligungs-und Reisevermittlung GmbH ("Eurocenter") entered into an agreement with Carlson Companies Inc., USA to acquire a 100% stake in Thomas Cook Holdings Limited now known as TCUK. On March 29, 2001, TCUK became a wholly owned subsidiary of Eurocenter and consequently, our Company became a step-down subsidiary of Thomas Cook AG. SEBI had given a conditional exemption from the requirement to make an open offer. Since the Special Resolution was defeated at the shareholders meeting, the open offer had to be made. The open offer opened on October 16, 2001 and closed on November 14, 2001.

The Promoter's shareholding was transferred from TCUK to TCIM Limited ("TCIM") (at that time, a wholly owned subsidiary of TCAG with effect from December 19, 2005. This transaction was exempted from the requirement of an open offer vide SEBI order WTMO/ 18 /CFD/ 12 /2005 dated December 19, 2005. On December 21, 2005, DFL agreed to acquire 100% of TCIM from TCAG and accordingly DFL, pursuant to an open offer made on December 23, 2005 under SEBI Takeover Regulations acquired controlling interest of our Company. Among others, following were the terms and conditions of the said open offer as per the letter of offer dated February 2, 2006:

1. DFL executed a SPA dated December 21, 2005 with TCAG to acquire 100% of the fully paid-up equity share capital of TCIM, along with its control, subject to the conditions mentioned in the SPA for a consideration of GBP 2 and also assumed debt amounting to GBP 49,921,274 due from TCIM to TCOL, a member of the Thomas Cook Group.
2. TCIM at the time of open offer held 60% of the then fully paid-up equity share capital of our Company.
3. Open offer was made to acquire up to 20% of the equity share capital of our Company at a price of Rs. 619.45 per equity share.
4. The open offer opened on February 13, 2006 and closed on March 4, 2006

DFL acquired 11,83,461 equity shares representing 8.12% of the then outstanding equity share capital of our Company in the above open offer.

As per the 45 days report dated April 18, 2006 filed by HSBC Securities and Capital Markets (India) Private Limited, the Manager to the open offer with SEBI, there was a delay in dispatch of consideration to the shareholders whose shares were accepted under the above open offer on account of delay in receipt of regulatory approval i.e. approval of RBI for transfer of shares in favour of DFL.

HSBC Securities and Capital Markets (India) Private Limited, the Manager to the open offer vide letter dated August 1, 2006 has certified that DFL had complied with the provisions of the Takeover Regulations.

Subsequent to the above, TCUK, by way of a SPA dated March 7, 2008, purchased for cash 100% of the fully paid-up equity share capital of TCIM, along with its control, subject to the fulfillment, inter alia, of certain conditions in the SPA from DFL and accordingly TCUK, pursuant to an open offer made on March 8, 2008 under SEBI Takeover Regulations indirectly acquired controlling interest of our Company. Among others, following were the terms and conditions of the said open offer as per the letter of offer dated May 9, 2008:

1. TCUK executed a SPA dated March 7, 2008 with DFL to acquire 100% of the fully paid-up equity share capital of TCIM, along with its control, subject to the conditions mentioned in the SPA for a total consideration of Rs. 93,625 lacs and including the assumed debt amounting to GBP 4,99,21,274 due from TCIM to TCOL, a member of the Thomas Cook Group.
2. TCIM at the time of open offer held 54.42% of the then fully paid-up equity share capital of our Company.
3. Open offer was made to acquire up to 20.48% of the then voting capital and 20% of the then diluted equity capital of our Company at a price of Rs. 107/- per equity share.
4. The open offer opened on May 16, 2008 and closed on June 5, 2008

TCUK acquired 3,06,71,365 equity shares representing 20.48% of the then outstanding equity share capital of our Company in the above open offer.



Kotak Mahindra Capital Company Limited, the Manager to the open offer vide letter dated October 6, 2008 has certified that TCUK had complied with the provisions of the Takeover Regulations. However, due to a pending statutory approval, there had been 14 days delay in the payment of consideration to the shareholders who had tendered their shares in the open offer. TCUK had subsequently paid interest at the rate of 10% per annum for the period of 14 days. Sharepro Services (India) Private Limited, the Registrar to the open offer vide their letter dated September 27, 2008 have confirmed that payments by registered post towards interest have been made to all the shareholders whose shares have been accepted.

Subsequent to this open offer, Our Promoter and Promoter Group as on the date of filing of this Letter of Offer, together hold 12,04,25,965 equity shares representing 74.89% of our fully paid up equity capital. The details of which are as follows:

Name of the entities	Number of Equity Shares	Percentage Shareholding
<b>Foreign Promoters</b>		
TCIM Limited ("TCIM")	8,75,00,000	54.42
Thomas Cook UK Limited ("TCUK")	3,29,25,965	20.48
<b>Total Promoter and Promoter Group Shareholding</b>	<b>12,04,25,965</b>	<b>74.89</b>

Our Company is currently in compliance with the existing clause 40A of the Listing Agreement. For more details please refer to page 16 of this Letter of Offer.

## 1. TCIM

TCIM was incorporated on August 19, 2004 in the United Kingdom. The registered office of TCIM is situated at The Thomas Cook Business Park, Coningsby Road, Peterborough PE3 8SB UK. The authorised and paid up share capital share capital of TCIM Limited consists of 1,000 pounds Sterling divided into 1,000 shares of 1 pound Sterling each.

The principal activity of TCIM is to act as a holding company.

### Board of Directors

The board of directors of TCIM as on the date of filing of the Letter of Offer comprises – Mr David Michael Hallisey and Mr Christopher James Gadsby.

### Shareholding Pattern

TCIM is a wholly owned subsidiary of TCUK

### Financial Performance

The audited financial highlights of TCIM are as under:

For the period/year ended	January 22, 2007		January 22, 2006**		October 31, 2005#	
	(GBP)	(Rs in Lacs)	(GBP)	(Rs in Lacs)	(GBP)	(Rs in Lacs)
Share Capital	2	0.00	2	0.00	2	0.00
Reserves (Excluding revaluation reserves)	(54,968)	(47.04)	(22,553)	(19.30)	(6,557)	(5.61)
Sales (Revenue)	-	-	302	0.26	-	-
Profit after Tax	(32,415)	(27.74)	(15,996)	(13.69)	(6,557)	(5.61)
Earnings per Share (GBP/Rs)	(16,208)	(1,386,875.78)	(7,998)	(684,388.86)	(3,278)	(280,498.46)
Net Asset Value per Share (GBP/Rs)	(27,483)	(2,351,720.31)	(11,276)	(964,887.32)	(3,278)	(280,498.46)

\*\* Results pertain to November 1, 2005 to January 22, 2006

# Results pertain to the period from August 19, 2004 (date of incorporation) till October 31, 2005





## Share Price Performance

TCIM is not listed on any stock exchange in India or abroad.

## Promise v/s Performance

TCIM has not made any public issue or rights issue in the preceding three years. The listing of the securities of TCIM has never been refused at any time by any stock exchanges.

## Details of change in management

Changes in Board of Directors of TCIM during the last three years are as follows:

Name	Appointed	Resigned
Ailles, Ian Simon	23/08/2004	23/01/2006
Bueser, Juergen	24/11/2005	23/01/2006
Doering, Thomas	19/08/2004	23/01/2006
Heuberg, Heinz Ludger	24/11/2005	23/01/2006
Peterseim, Michael	19/08/2004	23/01/2006
Zeh, Roland	24/11/2005	23/01/2006
Sayantu Basu	01/02/2006	28/03/2008
Jacqueline Asher	01/02/2006	28/03/2008
Bueser, Juergen	28/03/2008	06/06/2008
Gadsby, Christopher James	28/03/2008	--
Hallisey, David Michael William	28/03/2008	--

TCUK, by way of a SPA dated March 7, 2008, acquired 100% of the fully paid-up equity share capital of TCIM from DFL and subsequently TCUK became the holding company of TCIM.

## Information regarding adverse factors

TCIM is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. TCIM has not made any loss in the immediately preceding year. There are no material litigations pending by or against TCIM.

TCIM Limited is not a listed company on any stock exchange, whether in India or elsewhere. No penalty of any kind including suspension of trading have been imposed on TCIM by SEBI or any other stock exchange or any other authority in India or abroad.

## Related Party Transactions as per the Financial Statements

For the details please refer to "Related Party Transactions" beginning on page 170 & 195 of this Letter of Offer.

## Particulars of Nature and Interest of TCIM Limited

TCIM is a promoter and holds 8,75,00,000 equity shares representing 54.42% of our Company's pre issued equity share capital. TCIM may therefore be deemed to be interested to the extent of dividend, if any, declared by the Company.

## Common Pursuits

There are no common pursuits between TCIM and our Company.

## Payment of Benefits to TCIM within the last two years

Except for the details disclosed under "Related Party Transactions" beginning on page 170 & 195 of this Letter of Offer there are no benefits being paid to TCIM by our Company within the last two years.



## 2. TCUK

TCUK was incorporated on 22nd July 1991. The registered office is situated at The Thomas Cook Business Park, Coningsby Road, Peterborough PE3 8SB, UK. TCUK is the holding company for the Thomas Cook group of companies in the UK. TCUK is a 100% indirect subsidiary of Thomas Cook Group Plc, incorporated in the UK. The objects, as mentioned in the charter documents, of TCUK include, inter alia, to carry on business as a general commercial company and to carry on any trade or business whatsoever.

### Board of Directors

The board of directors of TCUK as on the date of filing of the Letter of Offer comprises – Dr Juergen Bueser, Mr David Michael Hallisey, Mr Roger John Coates and Mr Paul Christopher Richard Gilmartin.

### Shareholding Pattern

TCUK is the 100% indirect subsidiary of Thomas Cook Group Plc.

### Financial Performance:

As on September 01, 2008, the paid up capital of TCUK is 14,10,26,641 ordinary shares of GBP 1 each. The financials for the year ended October 31, 2007, 2006 and 2005 are based on audited standalone financials of TCUK.

Profit & Loss Statement	Year ended October 31, 2007		Year ended October 31, 2006		Year ended October 31, 2005	
	GBP Mn	Rs. Lacs	GBP Mn	Rs. Lacs	GBP Mn	Rs. Lacs
Paid up share capital	141.00	120,653.70	141.00	120,653.70	141.00	120,653.70
Reserves and Surplus (excluding revaluation reserves)	29.30	25,072.01	29.10	24,900.87	65.80	56,305.06
Net Sales (Revenue)	-	-	-	-	-	-
Profit after Tax	0.10	85.57	51.80	44,325.26	37.50	32,088.75
Earnings per Share (Euro/Rs)	-	-	0.40	34.23	0.10	8.56
Net Asset Value (per share) (Euro/Rs)	1.20	102.68	1.20	102.68	1.50	128.36

### Share Price Performance

TCUK is not listed on any stock exchange in India or abroad.

### Promise v/s Performance

TCUK has not made any public issue or rights issue in the preceding three years. The listing of the securities of TCUK has never been refused at any time by any stock exchanges.

### Details of change in management

Changes in Board of Directors of TCUK during the last three years are as follows:

Name	Appointed	Resigned
Beeser, Wolfgang	27/01/2004	31/10/2005
Donaldson, John Stewart	29/03/2001	24/06/2005
Bueser, Juergen	01/07/2006	-
Hallisey, David Michael William	21/09/2007	-
Fankhauser, Peter	27/01/2004	11/07/2008
Fontenla-Novoa, Manny	31/01/2003	11/07/2008
Heuberg, Heinz Ludger	27/01/2004	11/07/2008
Holtrop, Thomas	01/11/2005	12/12/2006
Teckentrup, Ralf	27/01/2004	11/07/2008



<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>
Coates, Roger John	11/07/2008	-
Gilmartin, Paul Christopher Richard	11/07/2008	-

### **Information regarding adverse factors**

TCUK is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. TCUK has not made any loss in the immediately preceding year. There are no litigations pending by or against TCUK.

There has been no default of any kind of the Listing Agreement. No penalty of any kind including suspension of trading have been imposed on TCUK by SEBI or any other stock exchange or any other authority in India or abroad.

### **Related Party Transactions as per the Financial Statements**

For the details please refer to “Related Party Transactions” beginning on page 170 & 195 of this Letter of Offer.

### **Particulars of Nature and Interest of TCUK**

TCUK is a promoter and holds 3,29,25,965 equity shares representing 20.48% of our Company's pre issued equity share capital. TCUK may therefore be deemed to be interested to the extent of dividend, if any, declared by the Company. Our Company has also entered into a Trademark License Agreement with TCUK, for details regarding the Agreement refer to page 74 of this Letter of Offer.

### **Common Pursuits**

There are no common pursuits between TCUK and our Company.

### **Payment of Benefits to TCUK within the last two years**

Except for the details disclosed under “Related Party Transactions” beginning on page 170 & 195 of this Letter of Offer there are no benefits being paid to TCUK by our Company within the last two years.



## PROMOTER GROUP

Following are the entities forming part of the Promoter Group:

***I. Body corporate and other entities that form part of the Promoter Group under Clause 6.8.3.2(m), Explanation II of the SEBI Guidelines***

SI. No.	Relationship	TCIM	TCUK
1	Subsidiary or holding company of the body corporate	TCUK	1. JMCH Services Limited 2. TCIM Limited 3. Thomas Cook Deutschland Limited 4. Thomas Cook Pension Trust Limited 5. Thomas Cook Signature Limited 6. Thomas Cook TV Limited 7. Thomas Cook UK Travel Limited 8. Thomascook.com Limited 9. Thomas Cook Group Treasury Ltd 10. Thomas Cook Overseas Limited 11. Elegant Resorts Limited 12. Thomas Cook Lebanon SAL 13. Sandbrook UK Investments Limited
2	Any Company in which the promoter (body corporate) holds 10% or more of the equity capital	Nil	Thomas Cook Personal Finance Limited
3	Any Company which holds 10% or more of the equity capital of the promoter (body corporate)	TCUK	Sandbrook UK Investments Limited
4	Any company in which a group of individuals or companies or combinations thereof who hold 20% or more of the equity capital in that company, also hold 20% or more of the equity capital of the issuer company	Nil	Nil

Our Company does not hold any equity share in the above mentioned Promoter Group entities.

In addition to the above, Thomas Cook Group plc is a member of our Promoter Group as it is the ultimate 100% indirect holding company of our Promoters.

### **Thomas Cook Group plc**

TCG is a public company incorporated on February 8, 2007 under the UK Companies Act 1985. The registered office is situated at The Thomas Cook Business Park, Coningsby Road, Peterborough PE3 8SB, UK. TCG is a part of the Thomas Cook group of companies and is the holding company in the Thomas Cook group. The objects, as mentioned in the charter documents, of TCG include, inter alia to carry on business as a general commercial company and to carry on any trade or business whatsoever.

On February 12, 2007 the boards of MyTravel and KarstadtQuelle announced the merger of MyTravel Group Plc and TCAG to create a leading international leisure travel group. The merger was effected by TCG by acquiring both MyTravel Group plc and Thomas Cook AG. Following the Merger, TCG, became the holding company of the enlarged group.

The merged entity is organised into five geographically based divisions:

- (i) UK (comprising the UK and Irish tour operations and UK airlines of MyTravel and Thomas Cook);
- (ii) Continental Europe (comprising Thomas Cook's operations in Germany, Austria, France, Belgium, the Netherlands, Hungary and Poland);
- (iii) Northern Europe (comprising MyTravel's operations in Sweden, Norway, Denmark and Finland);



- (iv) German Airlines (comprising the Condor Flugdienst and Condor Berlin airlines operated by Thomas Cook in Germany); and
- (v) North America (comprising MyTravel's operations in Canada and the United States).

The principal brands of the merged entity include Thomas Cook, Airtours, Neckermann, Condor, Ving, Direct Holidays and Sunquest.

The primary business model of TCG is that of vertically integrated charter tour operations, based on airline ownership, committed air capacity and controlled retail distribution, however TCG operates different business models within each of its major markets. Company operates business models in response to local market conditions, including specialist tour operators and distribution and internet businesses.

### Board of Directors

The board of directors of TCG as on the date of filing of the Letter of Offer comprises – Dr Thomas Middelhoff, Mr Michael Beckett, Mr Manny Fontenla-Novoa, Mr David Allvey, Mr Roger Burnell, Dr Juergen Bueser, Dr Karl-Gerhard Eick, Mr Hemjo Klein, Mr Bo Ake Lerenius and Mr Nigel Northridge.

### Shareholding Pattern

TCG is a professionally managed and widely held company, with 52% of the holding with Arcandor AG, a widely held German corporation, and 48% being public free float.

### Financial Performance:

As at August 31, 2008, the paid up capital of TCG is 91,82,83,124 ordinary shares of Euro 0.10 each. The financials for the year ended October 31, 2007 and 2006 is given below:

Profit & Loss Statement	Year ended October 31, 2007		Year ended October 31, 2006	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Paid up share capital	97.7	66,230.83	303.7	2,05,878.23
Reserves and Surplus (excluding revaluation reserves)	2,932.8	19,88,145.12	261.8	1,77,474.22
Net Sales (Revenue)	9,439	63,98,698.10	7,780	52,74,062.00
Profit after Tax	225	1,52,527.50	180	1,22,022.00
Earnings per Share (Euro/Rs)	0.33	22.37	0.35	23.73
Net Asset Value (per share) (Euro/Rs)	(1.00)	(67.79)	(1.14)	(77.28)

Note:

1. Income statement for TCG for the year ended 31 October 2007, includes the full year of trading for TCAG and the trading of My Travel Group plc and TCG plc for the period from 19 June 2007 to 31 October 2007 (Since merger became effective from June 19, 2007); Balance Sheet represents the balance sheet of Thomas Cook AG, My Travel plc and TCG plc (the holding company) at 31 Oct 07.
2. TCG plc was incorporated on February 8, 2007 and therefore does not have financials for 2005 and 2006. However, as per the annual report of TCG for 12 months ended October 31, 2007, financials for 2006 have been provided assuming it held 100% of TCAG during the year.

## Share Price Performance

TCG is listed on London Stock Exchange under the ticker TCG.L. The price of the ordinary shares on the London Stock Exchange for the six months ending November 2008 is as follows:

Month	Monthly High GB Pence	Monthly Low GB Pence
November 2008	185.00	123.60
October 2008	225.75	140.90
September 2008	267.75	196.80
August 2008	256.75	197.20
July 2008	232.00	170.80
June 2008	249.00	223.50

*Source: Bloomberg*

The closing share price of TCG on the London Stock Exchange as on December 19, 2008 was GB Pence 176.30.

## Promise v/s Performance

TCG has not made any public issue or rights issue in the preceding three years. The listing of the securities of TCG has never been refused at any time by any stock exchanges.

## Details of change in management

Changes in Board of Directors of TCG during the last three years are as follows:

Name	Appointed	Resigned
John Stephen Allkins	11/02/2007	28/03/2007
Manuel Jesus Fontenla Novoa	08/02/2007	11/02/2007
Manuel Jesus Fontenla Novoa	28/03/2007	--
John Milton Bloodworth	28/03/2007	31/12/2007
Peter Thomas McHugh	08/02/2007	31/12/2007
Heinz Ludger Heuberg	28/03/2007	01/07/2008
Angus James Porter	28/03/2007	25/04/2008
David Philip Allvey	28/03/2007	--
Michael Ernest Beckett	28/03/2007	--
Roger Douglas Burnell	28/03/2007	--
Peter Diesch	28/03/2007	22/12/2008
Thomas Middelhoff	28/03/2007	--
Hemjo Klein	01/07/2007	--
Bo Ake Lerenius	01/07/2007	--
Juergen Bueser	01/07/2008	--
Nigel Northridge	01/08/2008	--
Karl-Gerhard Eick	22/12/2008	--

On 19 June 2007, MyTravel Group plc and TCAG merged to create a leading international leisure travel group. The merger was effected by TCG acquiring both MyTravel Group plc and TCAG.

## Information regarding adverse factors

TCG is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. TCG has not made any loss in the immediately preceding year. There are no material litigations pending by or against TCG.

There has been no default of any kind of the Listing Agreement. No penalty of any kind including suspension of trading have been imposed on TCG by SEBI or any other stock exchange or any other authority in India or abroad.



## **Related Party Transactions as per the Financial Statements**

There are no related party transactions entered into by TCG with our Company.

### **Particulars of Nature and Interest of TCG**

TCG is the ultimate 100% indirect holding company of our Promoters and indirectly holds 74.89% of our Company's pre issued equity share capital and therefore be deemed to be interested to that extent.

### **Common Pursuits**

Both TCG and our Company are involved in the provision of travel and travel related financial services, but there is a geographic separation and neither companies offers the services in the others area of source market operation.

### **Payment of Benefits to TCG within the last two years**

No Benefits are paid to TCG within the two preceding years nor is it intended to be paid by our Company.

We confirm that the Permanent Account Numbers, Bank Account Numbers, Passport Number, Company Registration Numbers and the addresses of the Registrars of Companies where our promoters are registered have been submitted to Bombay Stock Exchange Limited and the National Stock Exchange of India Limited at the time of filing of the Draft Letter of Offer. Further, Our Promoters have not been detained as a willful defaulter by the Reserve Bank of India or any other Government authority and there are no violations of securities laws committed by our Promoters in the past or any such proceedings are pending against our Promoters.

### **Companies with which the Promoters have disassociated themselves in the last three years**

Our Promoters have not associated with any of companies in the last three years except for the following:

<b>Year Ended</b>	<b>Name of the Company</b>	<b>Remarks</b>
2005	Retail Travel Limited, Thomas Cook Airlines UK Limited and Tourmajor Limited	Ceased to be subsidiary of TCUK consequent upon divestment of the entire holding. However, all these companies continue to remain within the Thomas Cook Group as 100% subsidiaries.

**None of the companies promoted by the Promoters of our Company have been struck off from the records of the Register of Companies.**



## SECTION V – FINANCIAL STATEMENTS

### AUDITORS' REPORT

The Board of Directors  
Thomas Cook (India) Limited,  
Thomas Cook Building,  
Dr. Dadabhai Naoroji Road,  
Fort, Mumbai 400 001

Dear Sirs,

- 1 We have examined the Restated Financial Information of Thomas Cook (India) Limited (the Company) for the six months period ended June 30, 2008 and for each of the five financial years/period ended on December 31, 2007, 2006, October 31, 2005, 2004 and 2003 and annexed to this report and initiated by us for identification. The said financial information has been prepared in connection with the proposed rights issue of equity shares, in accordance with the requirements of:
  - a. Paragraph B (1) of Part II to Schedule II to the Companies Act, 1956 ( the 'Act');
  - b. the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ( the 'Guidelines') and the clarification issued by the Securities and Exchange Board of India (the 'SEBI') on January 19, 2000 as amended, in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992; and
  - c. the terms of reference received from the Company.

The Restated Financial Information has been approved by the Board of Directors of the Company.

#### **2 Restated Financial Information as per audited financial statements:**

- 2.1 We have examined the,
  - (i) Annexed restated Summary Statement of Assets and Liabilities of the Company as at June 30, 2008, December 31, 2007, 2006, October 31, 2005, 2004 and 2003 ( See Annexure 1);
  - (ii) Annexed restated Summary Statement of Profit and Loss of the Company for six months period ended June 30, 2008 and for the years/period ended December 31, 2007, 2006, October 31, 2005, 2004 and 2003 ( See Annexure 2);
  - (iii) Annexed restated Statement of Cash Flows for the six months ended June 30, 2008 and for the years/period ended December 31 2007, 2006, October 31, 2005, 2004 and 2003 ( See Annexure 3)together referred to as "Summary Statements".
- 2.2 The Summary Statements as at and for each of the financial years/period ended December 31, 2007, 2006, October 31, 2005, 2004 and 2003 have been extracted by the management from the financial statements of the Company as adopted/approved by the Board of Directors/Members of the Company.
- 2.3 We have also examined the financial information of the Company as at and for the period ended June 30, 2008 prepared by the management and approved by the Board of Directors for the purpose of disclosure in the offer document for the proposed rights issue of equity shares. The financial information for the above period was examined to the extent practicable for the purpose of examination of financial information in accordance with the Auditing and Assurance Standards issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform our audit to obtain reasonable assurance whether the financial information under examination is free of material misstatement.

Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be in accordance with Part II of Schedule II of the Act and the Guidelines and the same have been accordingly used in the financial information appropriately.



2.4 The Summary of Significant accounting policies for the six months period ended June 30, 2008 and selected Notes to Audited Financial Statements of the Company are enclosed in Annexure 15/15A and Annexure 16 respectively.

2.5 Based on our examination of the Summary Statements, we state that:

- (i) Adjustments on account of changes in accounting policies have been made to the audited financial statements for the respective financial years/period as indicated in Annexure 15A. Other than the adjustments as indicated in the Annexure 15A, the accounting policies, applied as at and for the period ended June 30, 2008 are materially consistent with those for each of the years/period ended December 31, 2007, 2006, October 31, 2005, 2004 and 2003.
- (ii) There are no material prior period items requiring adjustments in the Summary statements in the above mentioned years.
- (iii) There are no material extraordinary items which need to be disclosed separately in the Summary Statements.
- (iv) The Company has considered Non Compete Fees amounting to Rs.2,200 lacs paid during the financial year ended December 31, 2007 as an allowable expenditure for the purpose of computing the provision for current tax based on legal opinion. However, for the purposes of Restated Financial Information the Company has considered the same as a disallowable expenditure and has adjusted the tax impact amounting to Rs.747.78 lacs accordingly. Adjustment on account of same have been made to the audited financial statements for the respective years as indicated in Annexure – 15A
- (v) There is no qualification in standalone auditor's report for any of the disclosed financial years.

### 3. Other Financial Information:

3.1 At your request, we have examined the following financial information relating to the Company, proposed to be included in the Offer document, as approved by the Board of Directors of the Company and annexed to this report:

		Reference
I	Statement of Dividend paid/proposed	Annexure - 4
II	Statement of Key Accounting Ratios	Annexure - 5
III	Statement of Capitalisation	Annexure – 6
IV	Statement of Secured and Unsecured Loans	Annexure – 7
V	Statement of Other Income	Annexure – 8
VI	Statement of Tax Shelter	Annexure - 9
VII	Statement of Investments	Annexure – 10
VIII	Statement of Sundry Debtors and Loans and Advances	Annexure – 11
IX	Statement of Related Parties and Related Party Transactions	Annexure 12 and 12A
X	Statement of Segment Reporting	Annexure – 13
XI	Statement of Contingent Liabilities	Annexure 14
XII	Statement of Significant Accounting Policies and Changes in Accounting Policies	Annexure 15 and 15 A
XIII	Statement of Notes to Accounts	Annexure 16

Based on our examination of these Summary Statements, in our opinion, the 'Restated Financial Information' referred to in paragraph 2 above and 'Other Financial Information' mentioned in paragraph 3 above as at and for the six months period ended June 30, 2008 and for each of the years/period ending December 31 2007, 2006, October 31, 2005, 2004 and 2003 have been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

This report should not, in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us for the respective years nor should this report be construed as a new opinion on any of the financial statements referred to herein.



This report is intended solely for your information and for inclusions in the offer documents in connection with the proposed rights issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Date: December 19, 2008  
Place: Mumbai

Sharmila A. Karve  
Partner  
Membership No. 43229  
For and on Behalf of  
Lovelock & Lewes  
Chartered Accountants



**RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES OF THE COMPANY (STANDALONE)**

**ANNEXURE – 1**  
**(Rs. In Lacs)**

Particulars	As At					
	30th June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003
<b>A. Fixed Assets:</b>						
Gross Block	10,944.31	10,571.48	10,010.32	8,893.16	8,563.39	7,473.45
Less: Depreciation	5,296.25	4,992.88	4,475.50	3,808.07	3,472.05	3,097.68
Net Block	5,648.06	5,578.60	5,534.82	5,085.09	5,091.34	4,375.77
Advances for Capital Expenditure	104.25	377.07	58.28	284.78	172.35	352.92
<b>Total</b>	<b>5,752.31</b>	<b>5,955.67</b>	<b>5,593.10</b>	<b>5,369.87</b>	<b>5,263.69</b>	<b>4,728.69</b>
<b>B. Investments</b>	<b>19,266.59</b>	<b>19,266.99</b>	<b>20,245.71</b>	<b>1,909.03</b>	<b>358.06</b>	<b>787.04</b>
<b>C. Current Assets, Loans and Advances</b>						
Sundry Debtors	17,858.62	14,031.49	11,089.81	7,644.00	7,506.95	4,563.27
Cash and Bank Balance	14,453.17	14,591.54	16,064.02	8,507.32	9,084.15	6,283.53
Loans and Advances	6,970.83	6,985.10	5,234.62	3,758.87	2,989.44	3,041.15
<b>Total</b>	<b>39,282.62</b>	<b>35,608.13</b>	<b>32,388.45</b>	<b>19,910.19</b>	<b>19,580.54</b>	<b>13,887.95</b>
<b>D. Liabilities and Provisions</b>						
Loan Funds						
Secured Loans	3.96	6.74	45.43	-	1,500.00	12.53
Unsecured Loans	24,924.67	28,317.47	24,543.87	-	-	-
<b>Total</b>	<b>24,928.63</b>	<b>28,324.21</b>	<b>24,589.30</b>	<b>-</b>	<b>1,500.00</b>	<b>12.53</b>
<b>E. Current Liabilities and Provisions</b>						
Current liabilities	19,824.16	13,613.55	16,039.70	9,566.58	8,171.67	6,088.16
Provisions	372.51	1,709.86	1,290.40	730.99	723.77	711.16
<b>Total</b>	<b>20,196.67</b>	<b>15,323.41</b>	<b>17,330.10</b>	<b>10,297.57</b>	<b>8,895.44</b>	<b>6,799.32</b>
<b>F. Deferred Taxation (Net)</b>	<b>282.79</b>	<b>334.47</b>	<b>583.65</b>	<b>556.94</b>	<b>534.82</b>	<b>463.36</b>
<b>Net Worth (A+B+C-D-E-F)</b>	<b>18,893.43</b>	<b>16,848.70</b>	<b>15,724.21</b>	<b>16,334.58</b>	<b>14,272.03</b>	<b>12,128.47</b>
Represented by						
Share Capital						
- Equity Capital	1,607.82	1,607.82	1,458.33	1,458.33	1,458.33	1,458.33
- Preference Capital	10,559.16	10,387.56	-	-	-	-
Share Capital Suspense	-	-	10,537.05	-	-	-
Reserves	6,726.45	4,853.32	3,728.83	14,876.25	12,813.70	10,670.14
<b>Net Worth / Shareholders fund</b>	<b>18,893.43</b>	<b>16,848.70</b>	<b>15,724.21</b>	<b>16,334.58</b>	<b>14,272.03</b>	<b>12,128.47</b>

Notes:

1. The accompanying Significant Accounting Policies and Notes to Accounts form an integral part of this statement.
2. Share Capital Suspense includes Preference Shares.



**RESTATED SUMMARY STATEMENT OF PROFIT AND LOSSES OF THE COMPANY (STANDALONE)**

**ANNEXURE – 2**  
**(Rs. In Lacs)**

Particulars	Period/ Year Ended					
	6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
<b>Income</b>						
Turnover	13,172.25	21,488.99	19,647.78	12,178.50	12,477.52	10,492.94
Other Income	228.12	990.87	2,113.63	859.80	667.05	387.43
<b>Total</b>	<b>13,400.37</b>	<b>22,479.86</b>	<b>21,761.41</b>	<b>13,038.30</b>	<b>13,144.57</b>	<b>10,880.37</b>
<b>Expenditure</b>						
Personnel Cost	4,112.05	6,567.69	6,186.54	3,176.12	3,069.00	2,638.59
Advertisement and Business Promotion	744.04	1,667.72	1,372.89	812.41	836.08	693.80
Other Expenses	3,690.61	6,764.39	6,460.65	4,185.09	4,324.04	3,655.74
Interest	1,483.40	2,799.03	572.71	63.00	59.52	104.29
Depreciation	423.17	785.57	1,101.08	650.05	552.57	442.95
<b>Total</b>	<b>10,453.27</b>	<b>18,584.40</b>	<b>15,693.87</b>	<b>8,886.67</b>	<b>8,841.21</b>	<b>7,535.37</b>
Profit before Taxation and Exceptional items	2,947.10	3,895.46	6,067.54	4,151.63	4,303.36	3,345.00
Provision for Taxation						
Current Tax	1,065.00	1,465.78	1,864.13	1,400.00	1,470.00	1,210.00
Fringe Benefit Tax	69.00	118.61	140.50	43.39	-	-
Deferred Tax	(51.68)	(249.19)	(1.51)	22.12	71.46	(32.16)
Profit after Taxation and before Exceptional item	1,864.78	2,560.26	4,064.42	2,686.12	2,761.90	2,167.16
Exceptional item, net of taxation	-	-	183.54	-	-	-
<b>Net profit</b>	<b>1,864.78</b>	<b>2,560.26</b>	<b>3,880.88</b>	<b>2,686.12</b>	<b>2,761.90</b>	<b>2,167.16</b>
Add: Transfer from Reserve created under Section 80HHD of the Income-tax Act, 1961	175.00	130.00	180.00	150.00	125.00	150.00
Less : Transfer to reserve as required under Section 80HHD of the Income-tax Act, 1961	-	-	-	-	-	150.00
Balance brought forward from previous year	3,648.84	2,739.05	7,397.65	5,453.71	3,459.82	2,125.87
	<b>5,688.62</b>	<b>5,429.31</b>	<b>11,458.53</b>	<b>8,289.83</b>	<b>6,346.72</b>	<b>4,293.03</b>
<b>Appropriations</b>						
Transfer to General Reserve	-	335.00	384.78	268.61	274.67	216.27
Proposed Dividend	-	1,235.50	803.91	546.87	546.87	546.87
Corporate Dividend Tax	-	209.97	136.62	76.70	71.47	70.07
Balance carried to Balance Sheet	5,688.62	3,648.84	10,133.22	7,397.65	5,453.71	3,459.82
	<b>5,688.62</b>	<b>5,429.31</b>	<b>11,458.53</b>	<b>8,289.83</b>	<b>6,346.72</b>	<b>4,293.03</b>

Note:

The accompanying Significant Accounting Policies and Notes to Accounts form an integral part of this statement.

**RESTATED SUMMARY STATEMENT OF CASH FLOW**
**ANNEXURE - 3**  
**(Rs. In Lacs)**

Particulars	Period/ Year Ended					
	6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
<b>A. Cash flow from operating activities</b>						
Net Profit before Taxation and after Exceptional Item	2,947.10	3,895.46	5,884.00	4,151.63	4,303.36	3,345.00
Adjustments for -						
Depreciation	423.17	785.57	1,101.08	650.05	552.57	442.95
Discounting charge for Employee Stock Option	8.35	9.70	-	-	-	-
Interest on tax refunds	(0.30)	(27.97)	(25.55)	(1.71)	(13.99)	-
Reversal of excess interest accrued on tax refund	-	-	-	-	-	2.02
Interest Income	(27.15)	(67.54)	(73.89)	(46.56)	(40.55)	(81.88)
Unrealised Exchange Variation (Net)	-	-	-	(3.57)	(1.60)	(0.80)
Dividend Income	-	(4.59)	(28.23)	(74.01)	(62.98)	(135.80)
(Profit)/Loss on Sale of Fixed Assets	67.07	(389.69)	(559.13)	(9.39)	(0.04)	16.02
Profit on sale of current investment	-	-	-	(0.90)	(1.50)	-
Profit on Sale of Subsidiary Company	-	-	(824.16)	-	-	-
Profit on Redemption of Long-term Investment	(0.23)	(0.23)	(0.26)	(0.26)	(0.27)	-
Provision for Diminution in the Value of Long-term Investment	-	-	-	(62.28)	-	-
Start up cost of new business (net of payment)	-	-	-	-	-	-
Interest Expense	1,483.40	2,799.03	572.71	63.00	59.52	104.29
<b>Operating profit before working capital changes</b>	<b>4,901.41</b>	<b>6,999.74</b>	<b>6,046.57</b>	<b>4,666.00</b>	<b>4,794.52</b>	<b>3,691.80</b>
Adjustments for -						
Trade and Other Receivables	(4,026.07)	(2,893.62)	(2,622.54)	(892.99)	(2,368.48)	(347.74)
Trade and Other Payables	5,404.32	(2,519.04)	3,302.19	1,352.32	1,964.26	1,071.04
<b>Cash generated from operations</b>	<b>1,378.25</b>	<b>(5,412.66)</b>	<b>679.65</b>	<b>459.33</b>	<b>(404.22)</b>	<b>723.30</b>
Direct Taxes paid (Net of refund of taxes)	(928.75)	(3,115.74)	(1,673.17)	(1,395.85)	(1,840.30)	(1,150.70)
	<b>(928.75)</b>	<b>(3,115.74)</b>	<b>(1,673.17)</b>	<b>(1,395.85)</b>	<b>(1,840.30)</b>	<b>(1,150.70)</b>
<b>Net cash from operating activities ( A)</b>	<b>5,350.91</b>	<b>(1,528.66)</b>	<b>5,053.05</b>	<b>3,729.48</b>	<b>2,550.00</b>	<b>3,264.40</b>

<b>B. Cash flow from investing activities</b>							
Purchase of Fixed Assets	(305.14)	(1,720.24)	(1,499.51)	(811.01)	(1,157.49)	(749.86)	
Sale of Fixed Assets	18.27	683.79	1,361.57	64.18	69.96	21.41	
Interest Received	35.40	84.33	151.46	34.48	30.78	119.78	
Decrease/ (Increase) in Investment	0.63	1,000.95	(17,512.22)	(1,487.52)	430.75	(484.68)	
Outflow on account of Amalgamation with LKP Forex Limited	-	-	(5,035.62)	-	-	-	
Dividend Received	-	4.59	28.23	74.01	62.98	135.80	
<b>Net cash used in investing activities (B)</b>	<b>(250.84)</b>	<b>53.42</b>	<b>(22,506.09)</b>	<b>(2,125.86)</b>	<b>(563.02)</b>	<b>(957.55)</b>	
<b>C. Cash flow from financing activities</b>							
Proceeds from Borrowings (net)	-	3,773.60	23,562.33	-	1,487.47	(1,790.46)	
Repayment of Borrowings	(3,392.80)	-	-	(1,500.00)	-	-	
Interest Paid	(1,502.57)	(2,750.41)	(440.32)	(62.76)	(59.01)	(104.90)	
Payment of Finance Lease liability	(2.78)	(38.69)	(48.54)	-	-	-	
Proceeds from issue of share capital	171.60	-	-	-	-	-	
Dividend Paid	(432.06)	(845.12)	(502.65)	(546.22)	(544.75)	(481.25)	
Tax on Dividend Paid	(79.83)	(136.62)	(76.70)	(71.47)	(70.07)	-	
<b>Net cash from/(used in) financing activities (C)</b>	<b>(5,238.44)</b>	<b>2.76</b>	<b>22,494.12</b>	<b>(2,180.45)</b>	<b>813.64</b>	<b>(2,376.61)</b>	
<b>Net increase/(decrease) in cash and cash equivalents ( A+B+C)</b>	<b>(138.37)</b>	<b>(1472.48)</b>	<b>5041.08</b>	<b>(576.83)</b>	<b>2800.62</b>	<b>(69.76)</b>	
<b>Cash and Cash Equivalents - Opening Balance</b>	<b>14,591.54</b>	<b>16,064.02</b>	<b>8,507.32</b>	<b>9,084.15</b>	<b>6,283.53</b>	<b>6,353.29</b>	
Add: Cash and Bank balance taken over on Amalgamation of LKP Forex Limited	-	-	2,515.62	-	-	-	
<b>Cash and Cash Equivalents - Closing Balance</b>	<b>14,453.17</b>	<b>14,591.54</b>	<b>16,064.02</b>	<b>8,507.32</b>	<b>9,084.15</b>	<b>6,283.53</b>	

Note:

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



## STATEMENT OF DIVIDEND PAID OVER LAST FIVE YEARS

## ANNEXURE – 4

Particulars	Period/ Year Ended					
	6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
Number of Equity shares	160,782,330	160,782,330	14,583,333	14,583,333	14,583,333	14,583,333
Face Value Per Share (Rs.)	1.00	1.00	10.00	10.00	10.00	10.00
Paid Up Value Per Share (Rs.)	1.00	1.00	10.00	10.00	10.00	10.00
Rate of Dividend (%)	0%	50%	50%	37.5%	37.5%	37.5%
Total Dividend Paid (Rs. In Lacs)	-	803.91	803.91	546.87	546.87	546.87
Corporate Dividend tax (Rs. In Lacs)	-	136.62	136.62	76.70	71.46	70.06

### Notes:

1. Dividend paid for the period ended 31st December 2006 includes, dividend and tax there on for equity shares issued subsequently against share suspense account outstanding as on 31st December 2006.
2. The amount paid as dividend in the past is not indicative of dividend policy of the Company in the future.
3. The figure disclosed above are based on the financial statements of the company.

**KEY ACCOUNTING RATIOS (Standalone)**
**ANNEXURE - 5**

Ratios		Period/ Year Ended					
		6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
<b>A) Earning per share (EPS)</b>							
Net profit after tax attributable to equity shareholders (Rs. in Lacs)	A	1,768.45	2,055.32	3,880.88	2,686.12	2,761.90	2,167.16
Number of equity shares (Refer note 4 below)	B	160,782,330	160,782,330	14,58,33,330	14,58,33,330	14,58,33,330	14,58,33,330
Number of dilutive equity shares (Refer note 4 below)	C	167,053,488	166,738,325	16,66,97,980	14,58,33,330	14,58,33,330	14,58,33,330
<b>Basic Earning per share</b>	<b>D=A/B</b>	1.10	1.28	2.66	1.84	1.89	1.49
<b>Annualized Basic Earning per share</b>			1.28	2.28	1.84	1.89	1.49
<b>Diluted Earnings per share</b>	<b>E=A/C</b>	1.06	1.23	2.33	1.84	1.89	1.49
<b>Annualized Diluted Earning per share</b>			1.23	2.00	1.84	1.89	1.49
<b>B) Return on net worth</b>							
Net profit after tax attributable to equity shareholders (Rs. in Lacs)	A	1,768.45	2,055.32	3,880.88	2,686.12	2,761.90	2,167.16
Net worth (Rs. In Lacs)	B	8,334.27	6,461.14	5,187.16	16,334.58	14,272.03	12,128.47
<b>Return on net worth %</b>	<b>C=A/B</b>	<b>21.22</b>	<b>31.81</b>	<b>74.82</b>	<b>16.44</b>	<b>19.35</b>	<b>17.87</b>
<b>C) Net asset value per share</b>							
Net worth (Rs. In Lacs)	A	8,334.27	6,461.14	5,187.16	16,334.58	14,272.03	12,128.47
Number of equity shares (Refer note 4 below)	B	160,782,330	160,782,330	14,58,33,330	14,58,33,330	14,58,33,330	14,58,33,330
<b>Net asset value per Equity Share</b>	<b>C=A/B</b>	<b>5.18</b>	<b>4.02</b>	<b>3.56</b>	<b>11.20</b>	<b>9.79</b>	<b>8.32</b>

Notes:

1. The ratios have been computed as under:

Basic earnings per share (Rs.)	$\frac{\text{Net profit after tax, as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year/ period}}$
Diluted earnings per share (Rs.)	$\frac{\text{Net profit after tax, as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares outstanding during the year/ period}}$
Return on Net worth (%)	$\frac{\text{Net profit after tax, as restated, attributable to equity shareholders}}{\text{Net worth, as restated, at the end of the year/ period}}$
Net asset value per share (Rs.)	$\frac{\text{Net worth, as restated, at the end of the year/ period}}{\text{Number of equity shares outstanding at the end of the year/ period}}$



2. Earnings per share calculations are done in accordance with Accounting Standard 20 'Earnings Per Share' issued by the Institute of Chartered Accountants of India.
3. Net Worth means Equity share Capital + Reserves and Surplus.
4. Equity shares of the Company having face value of Rs. 10/- each were sub-divided into 10 equity shares of Re. 1 each on May 21, 2007 pursuant to the resolution passed by the shareholders by way of Postal Ballot. The EPS for all previous years have been recast to make them comparable.
5. The Company has preference shares for the financial year/ period December 31, 2007 and June 30, 2008. Proportionate Dividend on these preference shares has been considered in determining the EPS for the respective financial period/year.

#### Proportionate Dividend

Share Capital	Period/ Year ended	Amount (Rs. In Lacs)
Preference Share Capital	October 31, 2003	-
Preference Share Capital	October 31, 2004	-
Preference Share Capital	October 31, 2005	-
Preference Share Capital	December 31, 2006	-
Preference Share Capital	December 31, 2007	504.94
Preference Share Capital	June 30, 2008	96.33

#### CAPITALISATION STATEMENT AS ON JUNE 30, 2008 (Standalone)

**ANNEXURE – 6**  
**(Rs. In Lacs)**

Particulars	Pre-issue as at 30 <sup>th</sup> June, 2008	Post-issue position after Adjustments
<b>Borrowings:</b>		
Total Borrowings	24,928.63	24,928.63
<b>Shareholders funds:</b>		
Equity Share Capital	1,607.82	2,170.61
Preference Share Capital	10,559.16	10,559.16
<b>Reserves and surplus</b>		
Securities Premium Account	-	19,416.10
General Reserve	719.78	719.78
Reserve as required under Section 80HHD of the Income-tax Act, 1961	300.00	300.00
Profit & Loss Account	5,688.62	5,688.62
Employee Stock Options	18.05	18.05
<b>Total Shareholders Funds</b>	<b>18,893.43</b>	<b>38,872.32</b>
<b>Total Borrowings / Equity Ratio</b>	<b>1.32</b>	<b>0.64</b>

#### Notes:

1. The above Capitalisation Statement (Consolidated) has been prepared on the assumption that the proposed rights issue of 56,278,554 Equity Shares of Re. 1 each will be subscribed fully at the proposed price of Rs. 35.50 per share.
2. No adjustments to Reserves has been considered above for Issue Expenses that may be eligible for set off against Securities Premium Account.



3. The figures disclosed above are based on the restated summary financial statements of Thomas Cook (India) Limited as at June 30, 2008
4. The proceeds of the issue (net of expenses) will be utilized for the pre-payment of some of the above borrowings.
5. Thomas Cook (India) Limited has issued 13,540 Equity Shares of Re. 1 each post June 30, 2008 under the ESOP Scheme. However, for the purpose of post issue adjustment in the above statement the same has not been considered.

## SECURED AND UNSECURED LOANS

### ANNEXURE - 7 (Rs. In Lacs)

Particulars	As At					
	30 <sup>th</sup> June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003
<b>Secured Loans</b>						
Finance lease liability	3.96	6.74	45.43	-	-	-
Short-term Loan from Banks	-	-	-	-	800.00	-
Bank Overdrafts	-	-	-	-	700.00	12.53
<b>Total</b>	<b>3.96</b>	<b>6.74</b>	<b>45.43</b>	-	<b>1,500.00</b>	<b>12.53</b>
<b>Unsecured Loans</b>						
Short-term Loan from Banks	22,518.57	27,170.51	22,722.39	-	-	-
Bank Overdrafts	2,406.10	1,146.96	321.48	-	-	-
Others	-	-	1,500.00	-	-	-
<b>Total</b>	<b>24,924.67</b>	<b>28,317.47</b>	<b>24,543.87</b>	-	-	-

#### Notes:

1. There is no outstanding unsecured loan from Promoters at June 30, 2008
2. The details of principal terms and conditions of the secured loans and unsecured loans outstanding as at June 30, 2008 are disclosed in Annexure 7A.

**BREAKUP OF SECURED LOANS AS ON 30TH JUNE, 2008 (Standalone)**
**ANNEXURE - 7A  
(Rs. In Lacs)**

Sr. no.	Name of the Lender	Facility	Outstanding as at 30th June 08	Rate of Interest	Repayment schedule	Sanctioned Limit	Purpose of the Loan	Security Offered for Secured Loans
1)	Lease Plan India Limited	Finance Lease Liability (secured by charge on vehicles)	3.96	12.00%	Equated Monthly Installment	N.A.	Lease of Vehicles	Secured by Charge on Vehicles

**BREAKUP OF UNSECURED LOANS**

Sr. no.	Name of the Lender	Facility	Outstanding as at 30th June 08	Rate of Interest	Repayment schedule	Sanctioned Limit	Purpose of the Loan	Security Offered for Secured Loans
	<b>Short-term Loan from Banks</b>							
1	Nova Scotia	Short term loan	2,000.00	9.75%	Payable on 22nd Sept 2008	2,000.00	Working Capital	N.A.
2	State Bank of India	FCNR	2,018.57	8.89%	Payable on 21st July, 2008	– 2,000.00	Working Capital	N.A.
	<b>Sub Total</b>		<b>4,018.57</b>			<b>4,000.00</b>		
	<b>Bank Overdraft</b>							
1	State Bank of India	Bank Overdraft	-	12.75%	Payable on 1st July, 2008	3,000.00	Working Capital	N.A.
2	HSBC	Bank Overdraft/ WCDL	1,140.00	15.50%	Payable on 1st July, 2008	2,200.00	Working Capital	N.A.
3	ICICI	Bank Overdraft/ WCDL	676.20	13.55%	Payable on 1st July, 2008	2,000.00	Working Capital	N.A.
4	Standard Chartered Bank	Bank Overdraft	28.43	11.00%	Payable on 1st July, 2008	1,000.00	Working Capital	N.A.
5	Deutsche Bank	Bank Overdraft/ WCDL	561.47	9.75%	Payable on 1st July, 2008	2,200.00	Working Capital	N.A.
	<b>Sub Total</b>		<b>2,406.10</b>			<b>10,400.00</b>		
	<b>Commercial Paper</b>	Commercial Paper	3,500.00	8.20%	Payable on 16th August 2008	<b>5,000.00</b>	General Corporate Purpose	N.A.

<b>Corporate Loan</b>							
1	State Bank Of Indore	Short term loan	2,500.00	10.50%	Payable on 27th December, 2008	2,500.00	General Corporate Purpose N.A.
2	State Bank of India	Short term loan	12,500.00	10.50%	Payable on 25th November, 2008	12,500.00	General Corporate Purpose N.A.
	Sub Total		<b>15,000.00</b>			<b>15,000.00</b>	
	<b>Total Unsecured Loans</b>		<b>24,924.67</b>			<b>34,400.00</b>	

Note:

The proceeds of the issue (net of expenses) will be utilized for the pre-payment of some of the above loans.

**STATEMENT OF OTHER INCOME (Standalone)**
**ANNEXURE - 8  
(Rs. In Lacs)**

Particulars	Period/ Year Ended						Nature of Item
	6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003	
Interest on deposits with banks	26.83	65.78	64.56	44.77	38.78	80.05	Non Recurring
Interest on income tax refunds	0.30	27.97	25.55	1.71	13.99	-	Non Recurring
Interest on others	0.31	1.76	9.32	1.78	1.77	1.83	Non Recurring
Dividend on Long term investments ( from subsidiary companies)	-	-	-	-	-	119.20	Non Recurring
Dividend on Current Investments	-	4.59	28.23	74.01	62.98	16.61	Non Recurring
Rent	5.60	3.79	15.08	10.92	5.95	1.67	Non Recurring
Profit on Sale of Fixed Assets (Net)	-	389.69	559.13	9.40	21.66	7.42	Non Recurring
Exchange Variation (Net) other than in the normal course of business as Foreign Exchange Authorised Dealers	46.07	82.21	86.33	66.57	69.33	49.30	Non Recurring
Profit on Sale of Current Investments	-	-	-	0.90	1.50	-	Non Recurring
Profit on sale of Subsidiary	-	-	824.16	-	-	-	Non Recurring
Profit on Redemption of Long-term Investment	0.23	0.23	0.26	0.26	0.27	-	Non Recurring
Provision for Diminution in the Value of Long-term Investment written back (net)	-	-	-	62.28	-	-	Non Recurring
Provision for Doubtful Debts and Advances (Net)	-	-	99.82	0.90	-	-	Non Recurring
Provision for Gratuity written back (Net)	-	-	-	7.67	-	-	Non Recurring
Management Fees	-	-	-	15.73	15.11	30.08	Non Recurring
Insurance claim	-	-	23.09	92.24	-	-	Non Recurring
Liabilities no longer required written back	59.18	379.58	338.78	363.04	87.70	34.27	Non Recurring
Miscellaneous Income	89.60	35.27	39.32	107.62	348.01	47.00	Non Recurring
<b>TOTAL</b>	<b>228.12</b>	<b>990.87</b>	<b>2,113.63</b>	<b>859.80</b>	<b>667.05</b>	<b>387.43</b>	



**STATEMENT OF TAX SHELTER (Standalone)**

**ANNEXURE - 9  
(Rs. In Lacs)**

Sr. No.	Particulars	Year Ended					
		6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
<b>A</b>	Net Profit/ (Loss) before current and deferred taxes, as restated	2,947.10	3,895.46	6,067.54	4,151.63	4,303.36	3,345.00
	Income Tax rates applicable (including surcharge and education cess)	33.99	33.99	33.66	34.88	36.29	36.24
	Tax at applicable rate (A)	<b>1,001.72</b>	<b>1,324.07</b>	<b>2,042.33</b>	<b>1,448.09</b>	<b>1,561.69</b>	<b>1,212.23</b>
	<b>Adjustments</b>						
<b>B</b>	<b>Permanent Differences</b>						
	Income fully / partially exempt from Taxes (Dividend/ House Property Income etc)	(0.25)	(4.82)	(28.23)	(74.01)	(62.98)	(88.61)
	Amounts not allowed as deduction (Donation/Wealth Tax/Prior Period Items)	1.60	8.03	29.90	15.00	40.44	26.84
	Amounts allowed as deduction (Chapter VI A Deduction)	-	-	0.60	(4.41)	(6.63)	(31.61)
	Capital Gains	-	706.87	(478.54)	-	-	-
	Interest	9.81	187.44	-	-	-	-
	Others	327.06	252.51	(48.70)	(140.17)	(418.78)	176.86
	<b>Total (B)</b>	<b>338.22</b>	<b>1,150.03</b>	<b>(524.97)</b>	<b>(203.59)</b>	<b>(447.95)</b>	<b>83.49</b>
<b>C</b>	<b>Timing Differences</b>						
	Fiscal allowances on fixed assets	(65.50)	(134.55)	(69.97)	(14.89)	365.43	46.20
	Provision for doubtful debts & advances	(1.15)	(206.95)	161.86	49.81	(120.75)	(109.75)
	Provisions allowable for tax purposes when paid	(143.95)	(10.95)	(96.35)	30.80	(49.39)	(6.01)
	On unamortised Expenditure	58.56	(380.66)	-	-	-	(20.07)
	<b>Total (C)</b>	<b>(152.04)</b>	<b>(733.11)</b>	<b>(4.46)</b>	<b>65.72</b>	<b>195.31</b>	<b>(89.63)</b>
<b>D</b>	<b>Net Adjustments (B+C)</b>	<b>186.18</b>	<b>416.92</b>	<b>(529.43)</b>	<b>(137.87)</b>	<b>(252.64)</b>	<b>(6.15)</b>
<b>E</b>	<b>Tax Savings thereon (D)</b>	<b>63.28</b>	<b>141.71</b>	<b>(178.20)</b>	<b>(48.09)</b>	<b>(91.69)</b>	<b>(2.23)</b>
<b>F</b>	<b>Total Tax (A+D)</b>	<b>1,065.00</b>	<b>1,465.78</b>	<b>1,864.13</b>	<b>1,400.00</b>	<b>1,470.00</b>	<b>1,210.00</b>

Note: Income Tax Rate Applicable have been taken on pro rata basis for the respective period / year ended.



**STATEMENT OF INVESTMENTS**

**ANNEXURE - 10**  
**(Rs. In Lacs)**

Particulars	As At					
	30th June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003
(Unquoted unless otherwise stated)						
Current - Non Trade						
<b>In fully paid-up Units of Mutual Funds</b>						
10,002,811 Units of Rs. 10 each of Principal Mutual Fund - Principal Cash Management Fund Liquid Option - Institutional Premium Plan - Daily Dividend	-	-	1,000.35	-	-	-
2,994,511 Units of Rs. 10 each of Deutsche Mutual Fund - Deutsche Insta Cash Plus Fund - Institutional Plan - Daily Dividend	-	-	-	300.04	-	-
3,992,721 Units of Rs. 10 each of Birla Mutual Fund - Birla Cash Plus - Institutional Premium - Daily Dividend	-	-	-	400.05	-	-
3,998,247 Units of Rs. 10 each of HSBC Mutual Fund - HSBC Cash Fund - Institutional Plus - Daily Dividend	-	-	-	400.04	-	-
1,595,016 Units of Rs. 10 each of SBI Mutual Fund - Magnum Institutional Income - Savings - Dividend	-	-	-	160.02	-	-
4,750,522 units of Rs. 10 each fully paid-up in Alliance Cash Manager-IP- Daily Dividend	-	-	-	-	-	475.06
Long-term (at cost)						
In Subsidiary Companies						
50,000 fully paid-up Equity Shares of Rs. 10 each of Thomas Cook Insurance Services (India) Limited	5.00	5.00	5.00	5.00	5.00	5.00
50,000 fully paid-up Equity Shares of Rs. 10 each of Indian Horizon Travel and Tours Limited	5.00	5.00	5.00	5.00	5.00	5.00
50,000 fully paid-up Equity Shares of Rs. 10 each of Thomas Cook Tours Limited	5.00	5.00	5.00	5.00	5.00	5.00
250,000 fully paid-up Equity Shares of Rs. 10 each of Hindustan Cargo Limited	-	-	-	25.00	25.00	25.00
1,655,500 fully paid-up Equity Shares of USD 1 each of Thomas Cook (Mauritius) Holding Company Limited	732.49	732.49	732.49	594.94	303.75	257.30
1,576,698 fully paid-up Equity Shares of Rs. 10 each of Travel Corporation (India) Limited	18,484.27	18,484.27	18,484.27	-	-	-
In fully paid-up Ordinary Shares - Trade						

196,831 fully paid-up Ordinary Shares of SLR 10 each of Tangerine Beach Hotel Limited - Quoted	12.80	12.80	12.80	12.80	12.80	12.80
13,44,300 fully paid-up Ordinary Shares of USD 0.01 each of Bidorbuy.com	-	-	-	-	281.26	281.26
1,000 fully paid-up Equity Shares of Re. 1 each of JIK Industries Limited - Quoted	0.18	0.18	0.18	-	-	-
100 fully paid-up Equity Shares of Rs. 10 each of Weizmann Limited - Quoted	0.02	0.02	0.02	-	-	-
1,222 fully paid-up Class AP Common Stock of USD 0.0001 each of Visa Inc.	22.00	22.00	-	-	-	-
676 fully paid-up Class C Common Stock of Visa Inc.	-	-	-	-	-	-
In fully paid-up Debentures - Trade						
Zero coupon fully paid-up Redeemable Debentures of SLR 100 each of Tangerine Beach Hotel Limited	-	0.40	0.76	1.14	1.51	1.88
<b>Total</b>	<b>19,266.76</b>	<b>19,267.16</b>	<b>20,245.87</b>	<b>1,909.03</b>	<b>639.32</b>	<b>1,068.30</b>
Less : Provision for diminution in value of investment	0.17	0.17	0.16	-	281.26	281.26
	<b>19,266.59</b>	<b>19,266.99</b>	<b>20,245.71</b>	<b>1,909.03</b>	<b>358.06</b>	<b>787.04</b>
Aggregate amount of Quoted Investments	12.83	12.83	12.83	12.80	12.80	12.80
Aggregate amount of Unquoted Investments	19,253.76	19,254.16	20,232.88	1,896.23	345.26	774.24
	<b>19,266.59</b>	<b>19,266.99</b>	<b>20,245.71</b>	<b>1,909.03</b>	<b>358.06</b>	<b>787.04</b>
Aggregate Market Value of Quoted Investments	<b>19.09</b>	<b>21.14</b>	<b>23.63</b>	<b>51.60</b>	<b>59.95</b>	<b>54.78</b>





**RESTATED SUMMARY STATEMENT OF SUNDRY DEBTORS & LOANS & ADVANCES (Standalone)**

**ANNEXURE - 11  
(Rs. In Lacs)**

**A) Sundry Debtors**

Particulars	As At					
	30th June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003
Unsecured, Considered Good						
Outstanding exceeding six months	524.05	1,167.43	306.35	233.65	222.68	112.05
Others	17,334.57	12,864.06	10,783.46	7,167.18	6,768.28	4,451.22
	17,858.62	14,031.49	11,089.81	7,400.83	6,990.96	4,563.27
Recoverable from Subsidiary Company (less than six months)	-	-	-	243.17	515.99	-
Unsecured, Considered Doubtful						
Outstanding exceeding six months	312.60	312.83	179.16	315.73	233.83	231.48
Less: Provision for Doubtful Debts	312.60	312.83	179.16	315.73	233.83	231.48
<b>Total</b>	<b>17,858.62</b>	<b>14,031.49</b>	<b>11,089.81</b>	<b>7,644.00</b>	<b>7,506.95</b>	<b>4,563.27</b>

(Rs. In Lacs)

**B) Loans and Advances**

Particulars	As At					
	30th June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003
<b>Loans and Advances</b> (Unsecured, Considered Good unless otherwise stated)						
Advances to Subsidiary Companies	12.55	283.44	214.84	163.67	101.11	46.12
Receivable on sale of Subsidiary Company	-	-	826.00	-	-	-
Advances recoverable in cash or in kind or for value to be received						
Considered Good	5,595.79	5,133.92	4,157.39	3,227.32	2,472.95	2,949.95
Considered Doubtful	97.12	97.12	97.12	134.94	226.53	114.89
	5,692.91	5,231.04	4,254.51	3,362.26	2,699.48	3,064.84
Less: Provision for Doubtful Advances	97.12	97.12	97.12	134.94	226.53	114.89
	5,595.79	5,133.92	4,157.39	3,227.32	2,472.95	2,949.95
Tax Payments less Provisions	1,362.49	1,567.74	36.39	367.88	415.38	45.08
<b>Total</b>	<b>6,970.83</b>	<b>6,985.10</b>	<b>5,234.62</b>	<b>3,758.87</b>	<b>2,989.44</b>	<b>3,041.15</b>

**STATEMENT OF RELATED PARTIES (Standalone)**
**ANNEXURE – 12**

(A) Enterprises where control exists			
	(i)	Holding Company	From 28 <sup>th</sup> March 2008
			TCIM Limited, UK holds 54.42% of Equity Shares of the Company. Thomas Cook UK Limited, the holding company of TCIM Limited, UK is a subsidiary of Thomas Cook Group plc, the ultimate holding company.
			Upto 27 <sup>th</sup> March 2008
			TCIM Limited, UK holds 54.42% of Equity Shares of the Company. Dubai Financial (LLC), the Holding Company of TCIM owns 7.36% of the Company. Dubai Financial (LLC) is a wholly owned subsidiary of Dubai Group, the Global investment arm of Dubai Holdings.
	(ii)	Subsidiary Companies	Thomas Cook Insurance Services (India) Limited
			Travel Corporation (India) Limited
			Indian Horizon Travel and Tours Limited
			Thomas Cook Tours Limited
			Thomas Cook (Mauritius) Holding Company Limited
			Thomas Cook (Mauritius) Operations Company Limited
			Thomas Cook (Mauritius) Holidays Limited
			Thomas Cook (Mauritius) Travel Limited
			Thomas Cook Lanka Holdings (Private) Limited
			Airline Services Lanka (Private) Limited
(B) Other Related Parties with whom the company had transactions during the period			
	(i)	Fellow Subsidiaries	From 28 <sup>th</sup> March 2008
			Thomas Cook Overseas Limited, Egypt
			Thomas Cook Tour Operations Limited, UK
			Thomas Cook Signature Limited, UK
			Thomas Cook Reisen, Germany
			Neckermann Reisen, Germany
			Thomas Cook AG, Germany
			Upto 27 <sup>th</sup> March 2008
			Thomas Cook Overseas Limited, Egypt
	(ii)	Key Management Personnel	Madhavan Menon
			Vinayak K. Purohit
			Nalini Gupta
			Parag Mehta
			Gautam Sharma
			Amitabh Pandey
			Dr. Prasanth Nair
			R. R. Kenkare
	(iii)	Company in which a Director has significant influence	Upto 30 <sup>th</sup> March 2008
			LKP Merchant Financing Limited
	(iv)	Relatives of Key Management Personnel	Lili Menon



**STATEMENT OF RELATED PARTY TRANSACTIONS**

**ANNEXURE - 12A  
(Rs. In Lacs)**

Particulars		Period/ Year Ended					
		6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
(i)	Holding Company						
	Income from Management Fees						
	Thomas Cook UK Limited	-	-	-	15.73	15.11	15.35
	Licence Fees paid						
	Thomas Cook UK Limited	47.25	-	138.16	109.75	112.24	103.33
	Dividend remitted						
	Thomas Cook Overseas Limited	-	-	-	328.13	328.13	288.75
	TCIM Limited, U.K.	-	437.50	328.13	-	-	-
	Dubai Financial LLC	-	59.17	-	-	-	-
	Balances as at the period/year end -						
	Outstanding Payables						
	Thomas Cook UK Limited	-	-	-	88.17	-	-
	Outstandings Receivables						
	Thomas Cook UK Limited	-	-	-	-	15.21	5.79
	Prepaid license fees						
	Thomas Cook UK Limited	-	-	-	-	18.94	17.53
(ii)	Subsidiary Companies						
	Sale of Services						
	Thomas Cook Insurance Services (India) Limited	-	-	-	27.00	27.00	27.00
	Hindustan Cargo Limited	-	-	5.30	13.64	8.71	4.30
	Reimbursement of Expenses						
	Thomas Cook Insurance Services (India) Limited	44.98	101.60	314.76	284.35	139.74	-
	Travel Corporation (India) Limited	49.50	78.96	-	-	-	-
	Export of Foreign Currencies						
	Thomas Cook (Mauritius) Operations Company Limited	1,900.15	3,181.87	2,729.42	5,059.22	9,646.04	10,127.80
	Services Availed						
	Hindustan Cargo Limited	-	-	134.00	86.15	75.10	35.08
	Thomas Cook Insurance Services (India) Limited	-	4.20	-	-	-	-

	Thomas Cook (Mauritius) Holidays Limited	165.14	221.71	-	-	-	-
	Thomas Cook (Mauritius) Travel Limited	-	25.33	-	-	-	-
	Subscription to Share Capital						
	Thomas Cook (Mauritius) Holding Company Limited	-	-	137.55	291.19	46.45	-
	Others	-	-	-	-	-	9.99
	Dividend income						
	Thomas Cook Insurance Services (India) Limited	-	-	-	-	-	32.50
	Hindustan Cargo Limited	-	-	-	-	-	39.50
	Thomas Cook (Mauritius) Holding Company Limited	-	-	-	-	-	47.20
	Sale of assets						
	Hindustan Cargo Ltd	-	-	-	-	-	0.11
	Balances as at the period/year end -						
	Outstanding Receivables						
	Thomas Cook Insurance Services (India) Limited	-	191.73	201.32	127.70	39.09	-
	Travel Corporation (India) Limited	-	-	-	-	-	-
	Indian Horizon Travel and Tours Limited	0.61	0.61	0.56	0.45	0.43	0.40
	Thomas Cook Tours Limited	0.61	0.61	0.56	0.45	0.43	0.40
	Hindustan Cargo Limited	-	-	13.26	29.41	61.16	45.32
	Thomas Cook (Mauritius) Operations Company Limited	11.33	90.49	12.26	248.83	515.99	-
		12.55	283.44	227.96	406.84	617.10	46.12
	Outstanding Payables	-	-	-	-	-	-
	Thomas Cook Insurance Services (India) Limited	23.23	-	-	-	-	11.01
	Travel Corporation (India) Limited	-	21.60	-	-	-	-
	Thomas Cook (Mauritius) Holidays Limited	153.68	60.65	-	-	-	-
	Thomas Cook (Mauritius) Travel Limited	1.54	1.37	-	-	-	-
(iii)	Fellow Subsidiaries						
	Sale of Services						
	Thomas Cook Tour Operations Limited, UK	857.19	-	1,378.32	2,720.85	2,255.40	1,689.52
	Neckerman Reisen, Germany	126.31	-	-	-	-	-
	Thomas Cook Touristic GmbH, Germany	-	4.75	-	810.39	1,246.54	232.88
	Thomas Cook AG, Germany	68.62	-	414.26	-	12.00	12.00
	Others	20.97	-	270.34	669.94	118.72	504.05
	Services Availed						
	Thomas Cook Overseas Limited, Egypt	73.09	58.53	-	-	-	-
	Balances as at the period/year end -						
	Outstanding Receivables						
	Thomas Cook Touristic GmbH, Germany	-	-	-	-	62.95	21.28
	Thomas Cook Tour Operations Limited, UK	376.52	-	-	3.84	5.87	-

	Neckerman Reisen, Germany	67.92	-	-	-	-	-
	Thomas Cook AG, Germany	11.61	-	-	-	-	-
	Others	26.16	-	-	53.96	0.09	20.78
		482.21	-	-	57.80	68.91	42.06
	Advances Received						
	Thomas Cook Tour Operations Limited, UK	-	-	-	-	125.34	503.82
	Others	-	-	-	3.16	0.76	486.77
		-	-	-	3.16	126.10	990.59
	Outstanding Payables						
	Thomas Cook Overseas Limited, Egypt	17.99	24.66	-	-	-	-
(iv)	Key Management Personnel						
	Remuneration						
	A. M. Kakkar	-	-	318.18	124.49	105.91	92.62
	Madhavan Menon	68.56	163.62	109.23	80.43	74.87	65.90
	R. Banerjee	-	1.76	86.10	56.33	31.27	-
	P Shreekumar	-	-	-	-	34.74	56.61
	Gautam Sharma	32.22	80.58	-	-	-	-
	Parag Mehta	32.56	62.40	-	-	-	-
	Vinayak K. Purohit	57.99	98.54	-	-	-	-
	Nalini Gupta	56.24	74.99	-	-	-	-
	Others	56.45	151.70	212.89	145.66	126.52	121.63
(v)	Relative of Key Management Personnel						
	Rent Expense						
	M. V. Kakkar	-	-	0.60	2.40	2.40	2.40
	Usha Sreekumar	-	-	-	-	0.83	2.40
	Lili Menon	8.03	-	-	-	-	-
	Balance as at the period/year end -						
	Deposit Receivable						
	M. V. Kakkar	-	-	-	390.00	390.00	390.00
	Usha Sreekumar	-	-	-	-	-	20.00
	Lili Menon	165.00	35.00	-	-	-	-
(vi)	Company in which a Director has significant influence						
	Professional Charges						
	Tamara Capital Advisors Private Limited	-	-	31.79	-	-	-
	Rent and Professional Charges						
	LKP Merchant Financing Limited	58.19	279.56	-	-	-	-

**RESTATED SUMMARY STATEMENT OF SEGMENT REPORTING**
**ANNEXURE - 13  
(Rs. In Lacs)**

		Period ended	Period ended	Year ended	Year ended	Year ended	Year ended
		30th June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003
<b>Information in respect of Primary Segments</b>							
(a)	Segment Revenue						
	Financial Services	2,009.24	2,840.84	4,123.12	2,746.36	3,462.50	3,138.98
	Travel and Related Services	11,163.01	18,648.15	15,524.66	9,432.14	9,015.02	7,353.96
		13,172.25	21,488.99	19,647.78	12,178.50	12,477.52	10,492.94
(b)	Segment Result						
	Financial Services	1,219.43	1,632.36	2,371.12	1,510.81	2,096.70	1,915.58
	Travel and Related Services	5,428.47	8,165.28	6,339.78	4,037.29	4,235.30	3,169.09
		6,647.90	9,797.64	8,710.90	5,548.10	6,332.00	5,084.67
	Less: Interest	1,483.40	2,799.03	572.71	63.00	59.51	104.29
	Other Common Expenses	2,217.40	3,103.15	2,070.65	1,333.47	1,969.13	1,635.38
		3,700.80	5,902.18	2,643.36	1,396.47	2,028.64	1,739.67
	Profit before Taxation and Exceptional items	2,947.10	3,895.46	6,067.54	4,151.63	4,303.36	3,345.00
(c)	Other Information						
(i)	Segment Assets						
	Financial Services	10,965.28	9,931.49	11,433.64	8,863.82	7,675.16	4,850.57
	Travel and Related Services	25,067.68	26,397.35	22,530.87	13,972.86	12,730.59	10,301.52
		36,032.96	36,328.84	33,964.51	22,836.68	20,405.75	15,152.09
	Add: Common Assets	28,268.56	24,501.95	24,262.75	4,352.41	4,796.54	4,251.59
		64,301.52	60,830.79	58,227.26	27,189.09	25,202.29	19,403.68
(ii)	Segment Liabilities						
	Financial Services	1,536.50	2,124.29	3,657.34	2,005.20	2,869.34	929.16
	Travel and Related Services	10,673.56	12,056.72	10,988.01	5,493.82	5,399.11	3,859.31
		12,210.06	14,181.01	14,645.35	7,499.02	8,268.45	4,788.47
	Add: Common Liabilities	33,198.03	29,801.08	27,857.70	3,355.49	2,661.81	2,486.74
		45,408.09	43,982.09	42,503.05	10,854.51	10,930.26	7,275.21
(iii)	Segment Capital Employed						
	(Segment Assets less Segment Liabilities)						
	Financial Services	9,428.78	7,807.20	7,776.30	6,858.62	4,805.83	3,921.41

	Travel and Related Services	14,394.12		14,340.63		11,542.86		8,479.04		7,949.90		6,442.21	
			23,822.90		22,147.83		19,319.16		15,337.66		12,755.73		10,363.62
	Add: Common Capital Employed		(4,929.47)		(5,299.13)		(3,594.95)		996.92		1,516.30		1,764.85
			18,893.43		16,848.70		15,724.21		16,334.58		14,272.03		12,128.47
(iv)	Capital Expenditure												
	Financial Services	68.54		338.87		389.85		146.15		212.43		67.35	
	Travel and Related Services	124.49		673.13		657.84		324.58		802.48		297.18	
			193.03		1,012.00		1,047.69		470.73		1,014.91		364.53
	Add: Common Capital Expenditure		384.93		389.45		681.63		227.84		323.15		259.60
			577.96		1,401.45		1,729.32		698.57		1,338.06		624.13
(v)	Depreciation/Amortisation												
	Financial Services	97.18		184.18		265.40		141.31		69.95		54.34	
	Travel and Related Services	183.72		377.40		507.50		309.46		267.56		233.15	
			280.90		561.58		772.90		450.77		337.51		287.49
	Add: Common Depreciation and Amortisation		142.27		223.99		328.18		199.28		215.06		155.46
			423.17		785.57		1,101.08		650.05		552.57		442.95
(vi)	Significant Non Cash Expenditure												
	Financial Services	94.04		183.65		217.84		141.31		45.32		16.70	
	Travel and Related Services	194.82		505.46		455.24		408.00		211.17		139.92	
			288.86		689.11		673.08		549.31		256.49		156.62
	Add: Common Non Cash Expenditure		142.27		223.99		328.18		199.28		-		1.09
			431.13		913.10		1,001.26		748.59		256.49		157.71
<b>Information in respect of Secondary Segments</b>													
(a)	Segment Revenue												
	India		12,684.40		20,670.62		18,405.34		11,188.37		11,418.12		9,853.84
	Rest of the World		487.85		818.37		1,242.44		990.13		1,059.40		639.10
			13,172.25		21,488.99		19,647.78		12,178.50		12,477.52		10,492.94
(b)	Carrying amount of Segment Assets												
	India	34,581.07		34,672.58		31,841.80		22,275.66		19,674.59		14,166.19	
	Rest of the World	1,451.90		1,656.26		2,122.71		561.02		731.16		985.90	
			36,032.97		36,328.84		33,964.51		22,836.68		20,405.75		15,152.09

	Add: Common Assets		28,268.55		24,501.95		24,262.75		4,352.41		4,796.54		4,251.59
			64,301.52		60,830.79		58,227.26		27,189.09		25,202.29		19,403.68
(c)	Capital Expenditure												
	India	188.54		959.35		992.89		410.06		942.43		342.90	
	Rest of the World	4.49		52.65		54.80		60.67		72.48		21.63	
			193.03		1,012.00		1,047.69		470.73		1,014.91		364.53
	Add: Common Capital Expenditure		384.93		389.45		681.63		227.84		323.15		259.60
			577.96		1,401.45		1,729.32		698.57		1,338.06		624.13

Note:

i. Business Segments

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

ii. Geographical Segments

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



**STATEMENT ON CONTINGENT LIABILITIES**
**ANNEXURE - 14  
(Rs. In Lacs)**

Particulars	As At					
	30th June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003
Contingent Liabilities						
(i) Claims against the company not acknowledged as debts - Demand from Bombay Electricity Supply and Transport (BEST) for Electricity	19.61	19.61	19.61	19.61	19.61	11.76
Claims against the company not acknowledged as debts - Disputed Demand from DGFT, Mumbai under EPCG Licence	137.89	137.89	-	-	-	-
(ii) Disputed Income-tax Demands	557.30	74.86	74.86	185.34	185.34	185.34
(iii) Disputed Service tax Demands	728.20	-	-	-	-	-
(iv) Disputed Demand for increase in rent raised by Brihanmumbai Municipal Corporation	330.77	330.77	289.42	115.73	115.73	115.73
(v) Corporate Guarantee given to a bank for the credit facilities extended by the said bank to Thomas Cook (Mauritius) Operations Company Limited	645.53	591.23	663.90	677.25	-	-

## SIGNIFICANT ACCOUNTING POLICIES (Standalone)

## ANNEXURE - 15

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standard notified under sub section (3C) of section 211 of 'The Companies Act, 1956' of India (The 'Act') and other relevant provisions of the Act. The significant accounting policies are as follows -

### a) Basis of Accounting

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

### b) Fixed Assets and Depreciation

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

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

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

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

### c) i. Foreign Currency Transactions

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

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

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

### ii. Foreign Branch

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

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

Revenue items except depreciation are translated at average rate.

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

### d) Investments

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

e) Employee Benefits

(i) Defined Contribution Plans

Contributions to Defined Contribution schemes such as provident fund and superannuation are charged to the profit and loss account as incurred. Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Contributions to gratuity and superannuation schemes are based on the premium contributions called for by the Life Insurance Corporation of India (LIC) with whom the company has entered into an arrangement for its Indian operations. Any shortfall/excess based on independent actuarial valuation is accounted for in the relevant period. The Company has done an actuarial valuation during the last financial year end. In accordance with the Accounting Standards, the charge for current period is taken on a proportionate basis to the charge as per the last financial period end.

(ii) Defined Benefit Plan

The company provides for leave encashment benefits on the basis of valuations, as at the balance sheet date, made by independent actuaries. The Company has done an actuarial valuation during the last financial year end. In accordance with the Accounting Standards, the charge for current period is taken on a proportionate basis to the charge as per the last financial year end.

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

f) Employee Stock Option Plan

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

g) Turnover

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

h) Revenue Recognition

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

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

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

Revenue from other income is accounted on accrual basis.

i) Leases

Assets acquired under finance lease arrangements are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent

amount. Lease rentals are allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Lease rentals in respect of operating lease arrangements are charged to the Profit and Loss Account.

j) Taxes on Income

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

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

**CHANGES IN ACCOUNTING POLICIES (Standalone)**

**ANNEXURE - 15A**

i. Revenue Recognition

The Holding Company has changed its policy of accounting for revenue on holiday packages to proportionate basis considering the actual number of days completed at the year end to the total number of days for each tour w.e.f the year ended 31st October 2004. Hitherto this revenue on holiday packages was accounted on commencement of the tour.

ii. Start up costs

The Company changed its policy to amortise start up costs in the year in which it is incurred w.e.f the year ended 31st October 2004. Hitherto it was amortised over a three year period.

iii. In the quarter ended 31st March 2007, the Company changed its policy to not account for exchange rate difference of forward contracts entered in to hedge the foreign currency risks of highly probable transactions. Hitherto the exchange rate difference was accounted in the financial statements.

**Impact on profits due to restatement and other material adjustments made to the audited financial statements**

Rs in Lacs

SI No	Particulars	Period/ Year Ended					
		6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
(A)	<b>Reported profit/ (loss) after tax but before non - recurring item as per audited Profit and Loss Account</b>	<b>1,864.78</b>	<b>3,341.10</b>	<b>4,031.36</b>	<b>2,686.12</b>	<b>2,746.78</b>	<b>2,162.68</b>
	Effects of changes in accounting policies						
(i)	Revenue Recognition	-	-	-	-	15.12	(15.12)
(ii)	Start up costs	-	-	-	-	-	19.60
(iii)	Forward Contract	-	(33.06)	33.06	-	-	-
(i)	On account of Other Adjustment Tax on Non Compete Fees		(747.78)				
(B)	<b>Total impact of entries</b>	<b>-</b>	<b>(780.84)</b>	<b>33.06</b>	<b>-</b>	<b>15.12</b>	<b>4.48</b>
(C)	<b>Restated profits before non recurring items but after adjustments</b>	<b>1,864.78</b>	<b>2,560.26</b>	<b>4,064.42</b>	<b>2,686.12</b>	<b>2,761.90</b>	<b>2,167.16</b>

SI No	Particulars	Period/ Year Ended					
		6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
(D)	<b>Reserves before adjustments</b>	<b>7,474.23</b>	<b>5,601.10</b>	<b>3,695.77</b>	<b>14,876.25</b>	<b>12,813.70</b>	<b>10,685.26</b>
(i)	Previous years' restatement adjustment to reserve	(747.78)	33.06	-	-	(15.12)	-
(ii)	Impact of above	-	(780.84)	33.06	-	15.12	4.48
(iii)	Start up costs	-	-	-	-	-	(19.60)
(E)	<b>Reserves after adjustments</b>	<b>6,726.45</b>	<b>4,853.32</b>	<b>3,728.83</b>	<b>14,876.25</b>	<b>12,813.70</b>	<b>10,670.14</b>

**Note:**

The Company had considered Non Compete Fees amounting to Rs. 2,200 Lacs paid during the financial year ended December 31, 2007 as an allowable expenditure for the purpose of computing the provision for tax based on legal opinion. However, for the purposes of Restated Financial Information, the Company has considered the same as a disallowable expenditure and has adjusted the tax impact amounting to Rs. 747.78 Lacs accordingly.

**NOTES TO THE ACCOUNTS (Standalone)**

**ANNEXURE – 16**

- a. The tax year for the company being the year ending 31st March, the provision for taxation for the period is the aggregate of the provision made for the three months ended 31st March, 2008 and the provision based on the figures for the remaining three months up to 30th June, 2008, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2008 to 31st March, 2009.
- b. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.18,293,608.
- c. Micro, Small and Medium Scale Business Entities

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at 30th June 2008. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.



The Board of Directors  
Thomas Cook (India) Limited,  
Thomas Cook Building,  
Dr. Dadabhai Naoroji Road,  
Fort, Mumbai 400 001

Dear Sirs,

1. We have examined the Consolidated Restated Financial Information of Thomas Cook (India) Limited (the Company) and its subsidiaries as at and for the six month period ended June 30, 2008 and for each of the five financial years / period ended December 31, 2007, 2006, October 31, 2005, 2004 and 2003 annexed to this report and initialed by us for identification. The said consolidated financial information has been prepared in connection with the proposed rights issue of equity shares, in accordance with the requirements of:
  - a. Paragraph B (1) of Part II to Schedule II to the Companies Act, 1956 ( the 'Act');
  - b. the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 (the 'Guidelines') and the clarification issued by the Securities and Exchange Board of India (the 'SEBI') on January 19, 2000 as amended, in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992; and
  - c. the terms of reference received from the Company.

The Consolidated restated financial information has been approved by the Board of Directors of the Company.

## **2. Restated Consolidated Financial Information as per Consolidated audited financial statements:**

2.1 We have examined the,

- (i) Annexed restated Summary Statement of Consolidated Assets and Liabilities of the Company as at June 30, 2008, December 31, 2007, 2006, October 31, 2005, 2004 and 2003 ( See Annexure 1);
- (ii) Annexed restated Summary Statement of Consolidated Profit and Loss of the Company for six months period ended June 30, 2008 and for the years/period ended December 31, 2007, 2006, October 31, 2005, 2004 and 2003 ( See Annexure 2);
- (iii) Annexed restated Statement of Consolidated Cash Flows for the six months ended June 30, 2008 and for the years/period ended December 31, 2007, 2006, October 31, 2005, 2004 and 2003. (See Annexure 3)

together referred to as the "Consolidated Summary Statements"

2.2 The consolidated summary statements as at and for the years/period ended on December 31, 2007, 2006, October 31, 2005, 2004 and 2003 have been extracted by the management from the consolidated financial statements of the company as approved by the Board of Directors.

2.3 We have also examined the consolidated financial information of the Company as at and for the period ended June 30, 2008 prepared by the management and approved by the Board of Directors for the purpose of disclosure in the offer document for the proposed rights issue of equity shares. The consolidated financial information for the above period was examined to the extent practicable, for the purpose of examination of financial information in accordance with the Auditing and Assurance Standards issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform our audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement.

We did not audit the Financial Statements of the Sri Lanka branch of the Company and the subsidiaries namely Thomas Cook (Mauritius) Holding Company Limited, Thomas Cook (Mauritius) Operations Company Limited, Thomas Cook (Mauritius) Travel Limited, Thomas Cook (Mauritius) Holidays Limited and Thomas Cook Travel (Thailand) Limited for each of the financial years/period ended December 31, 2007, 2006, October 31, 2005, 2004 and 2003 whose Financial Statements reflect total assets, total



revenue and total loss as stated in the table below. The Financial Statements have been audited by other auditors, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in the Consolidated Restated Summary Statement of Assets and Liabilities and Consolidated Restated Summary Statement of Profit and Loss Account is based solely on the report of the other auditors.

Rs. (in Lacs)

Total Assets	Financial Period / Years				
	12 months ended 31.12.07	14 months ended 31.12.06	12 months ended 31.10.05	12 months ended 31.10.04	12 months ended 31.10.03
Thomas Cook (Mauritius) Holding Company Limited	184.08	177.79	483.10	56.84	5.60
Thomas Cook (Mauritius) Operations Company Limited	1,134.30	658.42	704.58	722.20	530.53
Thomas Cook (Mauritius) Travel Limited	67.58	161.96	330.10	-	-
Thomas Cook (Mauritius) Holidays Limited	44.16	10.68	-	-	-
Thomas Cook Travel (Thailand) Limited	-	224.12	-	-	-
Thomas Cook – Sri Lanka Branch	243.08	334.44	758.91	440.58	577.15

Rs. (in Lacs)

Total Revenue	Financial Period / Years				
	12 months ended 31.12.07	14 months ended 31.12.06	12 months ended 31.10.05	12 months ended 31.10.04	12 months ended 31.10.03
Thomas Cook (Mauritius) Holding Company Limited	(27.91)	28.43	1.59	0.50	51.95
Thomas Cook (Mauritius) Operations Company Limited	836.39	348.23	285.72	411.22	154.25
Thomas Cook (Mauritius) Travel Limited	22.29	27.22	28.74	-	-
Thomas Cook (Mauritius) Holidays Limited	46.97	9.77	-	-	-
Thomas Cook Travel (Thailand) Limited	-	4.61	-	-	-
Thomas Cook – Sri Lanka Branch	80.49	134.84	387.89	371.61	242.95

We also did not audit the Financial Statements of Travel Corporation (India) Limited for the financial period ended December 31, 2006 whose Financial Statements reflect total assets of Rs. 4,464.00 lacs. The Financial Statements have been audited by other auditors, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in the Consolidated Restated Summary Statement of Assets and Liabilities and Consolidated Restated Summary Statement of Profit and Loss Account is based solely on the report of the other auditors.

Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be in accordance with Part II of Schedule II of the Act and the Guidelines and the same have been accordingly used in the Financial Information appropriately.

- 2.4 The Summary of Significant accounting policies for the six months period ended June 30, 2008 and selected Notes to Audited Consolidated Financial Statements of the Company are enclosed in Annexure 13/13A and Annexure 14 respectively.

2.5 Based on our examination of these Consolidated Summary Statements, we state that:

- i. Adjustments on account of changes in accounting policies have been made to the audited financial statements for the respective years as indicated in Annexure 13A. Other than the adjustments as indicated in the said paragraph, the accounting policies, applied as at and for the period ended June 30, 2008 are materially consistent with those for each of the years/period ended December 31, 2007, 2006, October 31, 2005, 2004, and 2003.
- ii. There are no material prior period items requiring adjustments in the Consolidated Summary statement in the above mentioned years.
- iii. There are no material extraordinary items which need to be disclosed separately in the Consolidated Summary statement;
- iv. The Company has considered Non Compete Fees amounting to Rs.2,200 lacs paid during the financial year ended December 31, 2007 as an allowable expenditure for the purpose of computing the provision for current tax based on legal opinion. However, for the purposes of Restated Financial Information the Company has considered the same as a disallowable expenditure and has adjusted the tax impact amounting to Rs.747.78 lacs accordingly. Adjustment on account of same have been made to the audited financial statements for the respective years as indicated in Annexure – 13A
- v. There is no qualification in standalone auditor's report for any of the disclosed financial years.

### 3. Consolidated Other Financial Information:

3.1 At your request, we have also examined the consolidated financial information relating to the Company, proposed to be included in the Offer document, as approved by the Board of Directors of the Company and annexed to this report:

		Reference
i	Statement of Key Accounting Ratios	Annexure – 4
ii	Statement of Capitalisation	Annexure – 5
iii	Statement of Secured and Unsecured Loans	Annexure – 6
iv	Statement of Other Income	Annexure – 7
v	Statement of Investments	Annexure – 8
vii	Statement of Sundry Debtors and Loans and Advances	Annexure – 9
vii	Statement of Related Parties and Related Party Transactions	Annexure – 10 and 10A.
viii	Statement of Segment Reporting	Annexure – 11
ix	Statement of Contingent Liabilities	Annexure – 12
x	Statement of Significant Accounting Policies and Changes in Accounting Policies	Annexure – 13 and 13A.
xi	Statement of Notes to Accounts	Annexure – 14

Based on our examination of these Consolidated Summary Statements, in our opinion, the 'Consolidated Financial Information' referred in paragraph 2 above and 'Consolidated Other Financial Information' mentioned in paragraph 3 above as at and for the six months period ended June 30, 2008 and for each of the years/period ending December 31, 2007, 2006, October 31, 2005, 2004 and 2003 have been prepared in accordance with Part II of schedule II of the Act and the Guidelines.

This report should not, in any way, be construed as a re-issuance or re-dating of any of the previous audit reports issued by us for the respective years nor should this report be construed as a new opinion on any of the financial statements referred to herein.

This report is intended solely for your information and for inclusions in the offer documents in connection with the proposed rights issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Sharmila A. Karve  
Partner  
Membership No. 43229  
For and on Behalf of  
Lovelock & Lewes  
Chartered Accountants

Date: December 19, 2008  
Place: Mumbai





**RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES OF THE COMPANY (CONSOLIDATED)**  
**ANNEXURE - 1**  
**(Rs. In Lacs)**

Particulars	As At					
	30th June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003
<b>A. Fixed Assets:</b>						
Gross Block	28,258.43	28,075.81	27,689.90	9,181.87	8,786.07	7,620.75
Less: Depreciation	6,978.80	6,725.75	6,172.20	3,909.39	3,552.30	3,164.90
Net Block	21,279.63	21,350.06	21,517.70	5,272.48	5,233.77	4,455.85
Advances for Capital Expenditure	106.45	377.08	58.28	284.78	172.35	352.92
<b>Total</b>	<b>21,386.08</b>	<b>21,727.14</b>	<b>21,575.98</b>	<b>5,557.26</b>	<b>5,406.12</b>	<b>4,808.77</b>
<b>B. Investments</b>	<b>34.84</b>	<b>70.30</b>	<b>1,253.49</b>	<b>1,414.95</b>	<b>60.76</b>	<b>489.75</b>
<b>C. Current Assets, Loans and Advances</b>						
Sundry Debtors	24,066.90	19,882.59	18,062.01	8,078.57	7,357.27	4,808.17
Cash and Bank Balance	17,235.41	17,238.74	19,170.64	9,323.84	9,836.39	6,825.44
Loans and Advances	9,599.99	8,396.59	6,037.61	3,826.65	2,979.87	3,049.66
<b>Total</b>	<b>50,902.30</b>	<b>45,517.92</b>	<b>43,270.26</b>	<b>21,229.06</b>	<b>20,173.53</b>	<b>14,683.27</b>
<b>D. Liabilities and Provisions</b>						
Loan Funds						
Secured Loans	651.63	254.07	614.27	21.80	1,553.85	38.11
Unsecured Loans	25,174.54	28,317.47	24,629.90	-	-	-
<b>Total</b>	<b>25,826.17</b>	<b>28,571.54</b>	<b>25,244.17</b>	<b>21.80</b>	<b>1,553.85</b>	<b>38.11</b>
<b>E. Current Liabilities and Provisions</b>						
Current liabilities	24,583.21	17,782.45	22,648.17	10,222.91	8,394.91	6,504.85
Provisions	604.59	1,910.62	1,615.43	732.75	723.77	711.16
<b>Total</b>	<b>25,187.80</b>	<b>19,693.07</b>	<b>24,263.60</b>	<b>10,955.66</b>	<b>9,118.68</b>	<b>7,216.01</b>
<b>F. Deferred Taxation (Net)</b>	<b>80.74</b>	<b>254.74</b>	<b>473.36</b>	<b>538.89</b>	<b>511.99</b>	<b>469.47</b>
<b>G. Minority Interest</b>	<b>-</b>	<b>-</b>	<b>114.72</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Worth (A+B+C-D-E-F-G)</b>	<b>21,228.51</b>	<b>18,796.01</b>	<b>16,003.88</b>	<b>16,684.92</b>	<b>14,455.89</b>	<b>12,258.20</b>
<b>Represented by</b>						
Share Capital						
- Equity Capital	1,607.82	1,607.82	1,458.33	1,458.33	1,458.33	1,458.33
- Preference Capital	10,559.16	10,387.56	-	-	-	-
Share Capital Suspense	-	-	10,537.05	-	-	-
Reserves	9,062.75	6,801.85	4,009.62	15,227.49	12,998.42	10,800.67
Less: Miscellaneous Expenditure	(1.22)	(1.22)	(1.12)	(0.90)	(0.86)	(0.80)
<b>Net Worth / Shareholders fund</b>	<b>21,228.51</b>	<b>18,796.01</b>	<b>16,003.88</b>	<b>16,684.92</b>	<b>14,455.89</b>	<b>12,258.20</b>

Notes:

1. The accompanying Significant Accounting Policies and Notes to Accounts form an integral part of this statement.
2. Share Capital Suspense includes Preference Shares.



**RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS OF THE COMPANY (CONSOLIDATED)**  
**ANNEXURE - 2**  
**(Rs. In Lacs)**

Particulars	Period/ Year Ended					
	6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
<b>Income</b>						
Turnover	16,399.68	28,590.91	20,937.26	13,090.87	13,221.21	11,081.29
Other Income	581.04	2,049.85	2,041.13	1,109.79	807.85	315.85
<b>Total</b>	<b>16,980.72</b>	<b>30,640.76</b>	<b>22,978.39</b>	<b>14,200.66</b>	<b>14,029.06</b>	<b>11,397.14</b>
<b>Expenditure</b>						
Personnel Cost	5,850.64	9,577.06	6,668.79	3,451.54	3,298.62	2,803.55
Advertisement and Business Promotion	935.54	2,164.06	1,579.28	988.58	913.91	710.49
Other Expenses	4,717.65	8,629.87	7,115.73	4,594.61	4,773.86	3,885.71
Interest	1,505.84	2,858.54	577.78	63.00	63.28	105.29
Depreciation	545.29	884.38	1,154.32	683.83	575.61	459.73
<b>Total</b>	<b>13,554.96</b>	<b>24,113.91</b>	<b>17,095.90</b>	<b>9,781.56</b>	<b>9,625.28</b>	<b>7,964.77</b>
Profit before Taxation and Exceptional items	3,425.76	6,526.85	5,882.49	4,419.10	4,403.78	3,432.37
Provision for Taxation						
Current Tax	1,266.20	2,197.91	1,998.88	1,492.45	1,545.14	1,279.99
(Excess)/Short Provision of Income Tax for Earlier year	-	(27.09)	-	-	-	-
Fringe Benefit Tax	81.00	164.04	152.74	48.32	-	-
Deferred Tax	(174.00)	(218.62)	(80.48)	25.69	42.53	(28.22)
Profit after Taxation and before Exceptional item	2,252.56	4,410.61	3,811.35	2,852.64	2,816.11	2,180.60
Exceptional item, net of taxation	-	-	183.54	-	-	-
<b>Net profit</b>	<b>2,252.56</b>	<b>4,410.61</b>	<b>3,627.81</b>	<b>2,852.64</b>	<b>2,816.11</b>	<b>2,180.60</b>
Add: Transfer from Reserve created under Section 80HHD of the Income-tax Act, 1961	175.00	130.00	180.00	150.00	125.00	150.00
Less : Transfer to reserve as required under Section 80HHD of the Income-tax Act, 1961	-	-	-	-	-	150.00
Balance brought forward from previous year	5,569.39	2,809.25	7,720.92	5,610.47	3,562.39	2,233.67
	7,996.95	7,349.86	11,528.73	8,613.11	6,503.50	4,414.27
<b>Appropriations</b>						
Transfer to General Reserve	-	335.00	384.78	268.61	274.68	225.71
Proposed Dividend	-	1,235.50	803.91	546.88	546.88	546.88
Corporate Dividend Tax	-	209.97	136.63	76.70	71.47	79.29
Balance carried to Balance Sheet	7,996.95	5,569.39	10,203.41	7,720.92	5,610.47	3,562.39
	7,996.95	7,349.86	11,528.73	8,613.11	6,503.50	4,414.27

Note: The accompanying Significant Accounting Policies and Notes to Accounts form an integral part of this statement.

**RESTATED SUMMARY STATEMENT OF CASH FLOW (CONSOLIDATED)**
**ANNEXURE - 3  
(Rs. In Lacs)**

Particulars	Period/ Year Ended					
	6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
<b>A. Cash flow from operating activities</b>						
Net Profit before Taxation and after Exceptional Item	3,425.76	6,526.85	5,698.95	4,419.10	4,403.78	3,432.37
Adjustments for -						
Depreciation	545.29	884.38	1,154.32	683.83	575.61	459.73
Discounting charge for Employee Stock Option	8.35	9.70	-	-	-	-
Interest on tax refunds	(0.30)	(29.52)	(2.69)	(1.71)	-	-
Reversal of excess interest accrued on tax refund	-	-	-	-	-	2.02
Interest Income	(40.62)	(104.08)	(125.87)	(57.29)	(58.14)	(83.13)
Unrealised Exchange Variation (Net)	-	-	-	(3.57)	(1.61)	(0.80)
Dividend Income	(0.44)	(10.13)	(28.86)	(76.85)	(62.98)	(16.61)
(Profit)/Loss on Sale of Fixed Assets	93.24	(486.02)	(556.63)	(9.01)	(1.06)	16.89
Profit on sale of Current Investment	-	-	-	-	(1.50)	-
Profit on Sale of Subsidiary Company	-	-	(502.64)	(0.93)	-	-
Profit on Redemption of Long-term Investment	(0.23)	(0.23)	(0.29)	(0.26)	(0.27)	-
Provision for Diminution in the Value of Long-term Investment	-	-	-	(62.28)	0.22	-
Interest Expense	1,505.84	2,858.54	577.56	64.69	63.28	105.23
Preliminary expenses incurred	-	(0.10)	-	-	-	-
Operating profit before working capital changes	<b>5,536.89</b>	<b>9,649.39</b>	<b>6,213.85</b>	<b>4,955.72</b>	<b>4,917.33</b>	<b>3,915.70</b>
Adjustments for -						
Trade and Other Receivables	(5,189.14)	(2,056.83)	(10,562.84)	(1,545.49)	(1,948.92)	(470.08)
Trade and Other Payables	6,025.79	(5,054.47)	10,181.59	1,787.22	1,788.85	1,117.27
	<b>836.65</b>	<b>(7,111.30)</b>	<b>(381.25)</b>	<b>241.73</b>	<b>(160.07)</b>	<b>647.19</b>
Cash generated from operations						
Direct Taxes paid (Net of refund of taxes)	(1,558.70)	(4,217.74)	(1,769.97)	(1,501.13)	(1,936.35)	(1,198.58)
	(1,558.70)	(4,217.74)	(1,769.97)	(1,501.13)	(1,936.35)	(1,198.58)
<b>Net cash from operating activities (A)</b>	<b>4,814.84</b>	<b>(1,679.65)</b>	<b>4,062.63</b>	<b>3,696.32</b>	<b>2,820.91</b>	<b>3,364.31</b>

<b>B. Cash flow from investing activities</b>							
Purchase of Fixed Assets	(388.89)	(1,870.80)	(17,276.93)	(884.80)	(1,244.09)	(777.42)	
Sale of Fixed Assets	91.42	860.67	1,470.38	67.99	72.20	22.82	
Interest Received	53.84	121.35	180.58	45.21	48.09	121.03	
Payment to Minority Shareholders	-	(114.72)	-	-	-	-	
Decrease/ (Increase) in Investment	35.69	1,205.42	554.19	(1,290.71)	430.75	(474.68)	
Outflow on account of Amalgamation with LKP Forex Limited	-	-	(5,035.62)	-	-	-	
Consolidation of Thailand Subsidiary*	-	-	224.94	-	-	-	
Dividend Received	0.44	10.13	28.86	76.85	62.98	16.61	
<b>Net cash used in investing activities (B)</b>	<b>(207.50)</b>	<b>212.05</b>	<b>(19,853.60)</b>	<b>(1,985.46)</b>	<b>(630.07)</b>	<b>(1,091.64)</b>	
<b>C. Cash flow from financing activities</b>							
Proceeds from Borrowings (net)	-	3,405.57	24,198.80	-	1,497.70	(1,765.60)	
Repayment of Borrowings	(2,727.72)	-	-	(1,535.81)	-	-	
Interest Paid	(1,525.01)	(2,809.92)	(445.35)	(64.51)	(62.77)	(105.90)	
Proceeds from Issue of Share Capital	171.60	-	-	-	-	-	
Payment of Finance Lease liability	(17.65)	(78.21)	(51.95)	(5.40)	-	-	
Dividend Paid	(432.06)	(845.12)	(502.65)	(546.22)	(544.75)	(481.25)	
Tax on Dividend Paid	(79.83)	(136.62)	(76.70)	(71.47)	(70.07)	-	
<b>Net cash from/(used in) financing activities (C)</b>	<b>(4,610.67)</b>	<b>(464.30)</b>	<b>23,122.15</b>	<b>(2,223.41)</b>	<b>820.11</b>	<b>(2,352.75)</b>	
<b>Net increase/(decrease) in cash and cash equivalents ( A+B+C)</b>	<b>(3.33)</b>	<b>(1,931.90)</b>	<b>7,331.18</b>	<b>(512.55)</b>	<b>3,010.95</b>	<b>(80.08)</b>	
<b>Cash and Cash Equivalents - Opening Balance</b>	<b>17,238.74</b>	<b>19,170.64</b>	<b>9,323.84</b>	<b>9,836.39</b>	<b>6,825.44</b>	<b>6,905.52</b>	
Add: Cash and Bank balance taken over on Amalgamation of LKP Forex Limited	-	-	2,515.62	-	-	-	
<b>Cash and Cash Equivalents - Closing Balance</b>	<b>17,235.41</b>	<b>17,238.74</b>	<b>19,170.64</b>	<b>9,323.84</b>	<b>9,836.39</b>	<b>6,825.44</b>	

**Note:**

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

\* In the year ended 31st October 2005, Thailand subsidiary was shown as investment and the same has been consolidated in the period ended 31st December 2006.

**KEY ACCOUNTING RATIOS (Consolidated)**
**ANNEXURE - 4**

Ratios		Period/ Year Ended					
		6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
<b>A) Earning per share (EPS)</b>							
Net profit after tax attributable to equity shareholders (Rs. in Lacs)	A	2,156.23	3,905.68	3,627.81	2,852.64	2,816.11	2,180.60
Number of equity shares (Refer note 4 below)	B	160,782,330	160,782,330	145,833,330	145,833,330	145,833,330	145,833,330
Number of dilutive equity shares (Refer note 4 below)	C	167,053,488	166,738,325	166,697,980	145,833,330	145,833,330	145,833,330
<b>Basic Earning per share</b>	<b>D=A/B</b>	1.34	2.43	2.49	1.96	1.93	1.50
<b>Annualized Basic Earning per share</b>			2.43	2.13	1.96	1.93	1.50
<b>Diluted Earnings per share</b>	<b>E=A/C</b>	1.30	2.34	2.18	1.96	1.93	1.50
<b>Annualized Diluted Earning per share</b>			2.34	1.87	1.96	1.93	1.50
<b>B) Return on net worth</b>							
Net profit after tax attributable to equity shareholders (Rs. in Lacs)	A	2,156.23	3,905.68	3,627.81	2,852.64	2,816.11	2,180.60
Net worth (Rs. In Lacs)	B	10,669.35	8,408.45	5,466.83	16,684.92	14,455.89	12,258.20
<b>Return on net worth %</b>	<b>C=A/B</b>	<b>20.21</b>	<b>46.45</b>	<b>66.36</b>	<b>17.10</b>	<b>19.48</b>	<b>17.79</b>
<b>C) Net asset value per share</b>							
Net worth (Rs. In Lacs)	A	10,669.35	8,408.45	5,466.83	16,684.92	14,455.89	12,258.20
Number of equity shares (Refer note 4 below)	B	160,782,330	160,782,330	145,833,330	145,833,330	145,833,330	145,833,330
<b>Net asset value per Equity Share</b>	<b>C=A/B</b>	<b>6.64</b>	<b>5.23</b>	<b>3.75</b>	<b>11.44</b>	<b>9.91</b>	<b>8.41</b>

Note:

1. The ratios have been computed as under:

Basic earnings per share (Rs.)	Net profit after tax, as restated, attributable to equity shareholders
	Weighted average number of equity shares outstanding during the year/ period
Diluted earnings per share (Rs.)	Net profit after tax, as restated, attributable to equity shareholders
	Weighted average number of dilutive equity shares outstanding during the year/ period
Return on Net worth (%)	Net profit after tax, as restated, attributable to equity shareholders
	Net worth, as restated, at the end of the year/ period
Net asset value per share (Rs.)	Net worth, as restated, at the end of the year/ period
	Number of equity shares outstanding at the end of the year /period

2. Earnings per share calculations are done in accordance with Accounting Standard 20 'Earnings Per Share' issued by the Institute of Chartered Accountants of India

3. Net Worth means Equity Share Capital + Reserves and Surplus - Miscellaneous Expenditure

4. Equity shares of face value of Rs. 10 per share were sub-divided to face value of Re. 1 each on May 21, 2007 pursuant to the resolution passed by the shareholders by way of Postal Ballot. The EPS for all previous years have been recast to make them comparable.
5. The Company has preference shares for the financial year/ period December 31, 2007 and June 30, 2008. Proportionate Dividend on these preference shares has been considered in determining the EPS for the respective financial period/year.

#### Proportionate Dividend

Share Capital	Period/ Year ended	Amount(Rs. In Lacs)
Preference Share Capital	October 31, 2003	-
Preference Share Capital	October 31, 2004	-
Preference Share Capital	October 31, 2005	-
Preference Share Capital	December 31, 2006	-
Preference Share Capital	December 31, 2007	504.94
Preference Share Capital	June 30, 2008	96.33

#### CAPITALISATION STATEMENT AS ON JUNE 30TH, 2008 (Consolidated)

ANNEXURE – 5  
(Rs. In Lacs)

Particulars	Pre-issue as at 30th June, 2008	Post-issue position after Adjustments
<b>Borrowings:</b>		
Total Borrowings	25,826.17	25,826.17
<b>Shareholders funds:</b>		
Equity Share Capital	1,607.82	2,170.61
Preference Share Capital	10,559.16	10,559.16
<b>Reserves and surplus</b>		
Securities Premium Account	-	19,416.10
General Reserve	747.75	747.75
Reserve as required under Section 80HHD of the Income-tax Act, 1961	300.00	300.00
Profit & Loss Account	7,996.95	7,996.95
Employee Stock Options Outstanding	18.05	18.05
<b>Total Shareholders Funds</b>	<b>21,229.73</b>	<b>41,208.62</b>
<b>Total Borrowings / Equity Ratio</b>	<b>1.22</b>	<b>0.63</b>

#### Notes:

1. The above Capitalisation Statement (Consolidated) has been prepared on the assumption that the proposed rights issue of 56,278,554 Equity Shares of Re. 1 each will be subscribed fully at the proposed price of Rs. 35.50 per share.
2. No adjustments to Reserves has been considered above for Issue Expenses that may be eligible for set off against Securities Premium Account.
3. The figures disclosed above are based on the restated summary financial statements of Thomas Cook (India) Limited as at June 30, 2008
4. The proceeds of the issue (net of expenses) will be utilized for the pre-payment of some of the above borrowings.
5. Thomas Cook (India) Limited has issued 13,540 Equity Shares of Re. 1 each post June 30, 2008 under the ESOP Scheme. However, for the purpose of post issue adjustment in the above statement the same has not been considered.

**SECURED AND UNSECURED LOANS (Consolidated)**
**ANNEXURE - 6**  
**(Rs. In Lacs)**

Particulars	As At					
	30th June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003
<b>Secured Loans</b>						
Finance lease liability	55.16	49.85	70.51	21.80	18.04	-
Cash Credit Accounts etc.	589.64	-	-	-	-	-
Hire Purchase Loan (Net)	6.83					
Short-term Loan from Banks		-	-	-	800.00	-
Bank Overdrafts		183.92	498.01	-	735.81	38.11
Others		20.30	45.75	-	-	-
<b>Total</b>	<b>651.63</b>	<b>254.07</b>	<b>614.27</b>	<b>21.80</b>	<b>1,553.85</b>	<b>38.11</b>
<b>Unsecured Loans</b>						
Short-term Loan from Banks	22,753.09	27,170.51	22,787.79	-	-	-
Bank Overdrafts	2,421.45	1,146.96	342.11	-	-	-
Others		-	1,500.00	-	-	-
<b>Total</b>	<b>25,174.54</b>	<b>28,317.47</b>	<b>24,629.90</b>	-	-	-

Notes:

- There is no outstanding unsecured loan from Promoters as at June 30, 2008

**STATEMENT OF OTHER INCOME (Consolidated)**
**ANNEXURE - 7**  
**(Rs. In Lacs)**

Particulars	Period/ Year Ended						Nature of Item
	30th June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003	
Interest on deposits with banks	39.74	102.15	77.05	53.47	42.38	81.30	Non Recurring
Interest on income tax refunds	0.30	29.52	26.90	1.71	13.99	-	Non Recurring
Interest on others	0.88	1.94	24.60	3.80	1.77	1.83	Non Recurring
Dividend on Current Investments	0.44	10.13	28.86	76.85	62.98	16.61	Non Recurring
Rent	6.60	24.90	15.08	10.92	5.05	0.77	Non Recurring
Referral Income	20.43	-	-	-	-	-	
Profit on Sale of Fixed Assets (Net)	-	486.02	556.63	9.01	22.68	7.84	Non Recurring
Exchange Variation (Net) other than in the normal course of business as Foreign Exchange Authorised Dealers	191.29	122.49	95.12	55.00	79.84	52.31	Non Recurring
Profit on Sale of Current Investments	-	-	0.03	0.93	1.50	-	Non Recurring
Profit on sale of Subsidiary	-	-	502.63	-	-	-	Non Recurring
Profit on Redemption	0.23	0.23	0.26	0.26	0.27	-	Non

of Long-term Investment							Recurring
Provision for Diminution in the Value of Long-term Investment written back (net)	-	-	-	62.28	-	-	Non Recurring
Provision for Doubtful Debts and Advances no longer required written back	-	75.80	-	-	-	-	Non Recurring
Management Fees	-	-	-	15.73	15.11	30.09	Non Recurring
Insurance claim	-	-	23.09	92.24	-	-	Non Recurring
Liabilities no longer required written back	205.88	800.45	338.78	365.10	148.09	-	Non Recurring
Miscellaneous Income	115.25	396.22	352.10	362.49	414.19	125.10	Non Recurring
<b>TOTAL</b>	<b>581.04</b>	<b>2,049.85</b>	<b>2,041.13</b>	<b>1,109.79</b>	<b>807.85</b>	<b>315.85</b>	

### STATEMENT OF INVESTMENTS

### ANNEXURE - 8 (Rs. In Lacs)

Particulars	As At					
	30th June, 2008	31st December, 2007	31st Decemb er, 2006	31st October, 2005	31st October, 2004	31st October, 2003
(Unquoted unless otherwise stated)						
Current - Non Trade						
In fully paid-up Units of Mutual Funds						
10,002,811 Units of Rs. 10 each of Principal Mutual Fund - Principal Cash Management Fund Liquid Option - Institutional Premium Plan - Daily Dividend	-	-	1,000.35	-	-	-
201,041 Units of Rs. 10 each of Standard Chartered Mutual Fund - Grindlays Cash Fund - Daily Dividend	-	21.26	20.27	-	-	-
1,25,565 Units of Rs. 10 each of LIC Mutual Fund - Liquid Fund - Daily Dividend Plan	-	13.80	219.26	-	-	-
2,994,511 Units of Rs. 10 each of Deutsche Mutual Fund - Deutsche Insta Cash Plus Fund - Institutional Plan - Daily Dividend	-	-	-	300.03	-	-
3,992,721 Units of Rs. 10 each of Birla Mutual Fund - Birla Cash Plus - Institutional Premium - Daily Dividend	-	-	-	400.05	-	-
3,998,247 Units of Rs. 10 each of HSBC Mutual Fund - HSBC Cash Fund - Institutional Plus - Daily Dividend	-	-	-	400.04	-	-
1,595,016 Units of Rs. 10 each of SBI Mutual Fund - Magnum Institutional Income - Savings - Dividend	-	-	-	160.02	-	-
943 Units of Rs. 1,512 each of Templeton India Treasury Management Account - Regular Plan - Daily Dividend Reinvestment	-	-	-	14.26	-	-
163,733 Units of Rs. 10 each of Principal	-	-	-	16.38	-	-



Mutual Fund - Principal Cash Management Fund Liquid Plan - Daily Dividend							
4,750,522 units of Rs. 10 each fully paid-up in Alliance Cash Manager-IP-Daily Dividend	-	-	-	-	-	-	475.06
196,730 Units of Rs. 10 each of Standard Chartered Mutual Fund - Grindlays Cash Fund - Daily Dividend	-	-	-	-	-	-	-
122,004 Units of Rs. 10 each of LIC Mutual Fund - Liquid Fund - Daily Dividend Plan	-	-	-	-	-	-	-
Long-term (at cost)							
In Subsidiary Companies:							
97,995 Equity Shares of THB 100 each of Thomas Cook Travel (Thailand) Limited	-	-	-	110.22	-	-	-
518,450 Equity shares of SLR 10 each of Thomas Cook Lanka Holdings Private Limited	-	-	-	-	23.22	-	-
13,100 Equity shares of MUR 100 each of Thomas Cook Mauritius Travel Limited	-	-	-	-	23.22	-	-
In Government Securities (Face value Rs. 500)	0.01	0.01	0.01	-	-	-	-
In fully paid-up Ordinary Shares – Trade:							
196,831 fully paid-up Ordinary Shares of SLR 10 each of Tangerine Beach Hotel Limited - Quoted	12.80	12.80	12.80	12.80	12.80	12.80	12.80
13,44,300 fully paid-up Ordinary Shares of USD 0.01 each of Bidorbuy.com	-	-	-	-	281.26	281.26	281.26
1,222 fully paid-up class AP common stock of USD 0.0001 each of Visa Inc.	22.00	22.00	-	-	-	-	-
1,000 fully paid-up Equity Shares of Re. 1 each of JIK Industries Limited - Quoted	0.18	0.18	0.18	-	-	-	-
100 fully paid-up Equity Shares of Rs. 10 each of Weizmann Limited - Quoted	0.02	0.02	0.02	-	-	-	-
In fully paid-up Debentures – Trade:							
Zero coupon fully paid-up Redeemable Debentures of SLR 100 each of Tangerine Beach Hotel Limited	-	0.40	0.77	1.15	1.52	1.89	1.89
<b>Total</b>	<b>35.01</b>	<b>70.47</b>	<b>1,253.66</b>	<b>1,414.95</b>	<b>342.02</b>	<b>771.01</b>	
Less : Provision for diminution in value of investment	0.17	0.17	0.17	-	281.26	281.26	
	<b>34.84</b>	<b>70.30</b>	<b>1,253.49</b>	<b>1,414.95</b>	<b>60.76</b>	<b>489.75</b>	
Aggregate amount of Quoted Investments	13.00	12.83	12.83	12.80	12.80	12.80	
Aggregate amount of Unquoted Investments	21.84	57.47	1,240.66	1,402.15	47.96	476.95	
	<b>34.84</b>	<b>70.30</b>	<b>1,253.49</b>	<b>1,414.95</b>	<b>60.76</b>	<b>489.75</b>	
Aggregate Market Value of Quoted Investments	<b>19.09</b>	<b>21.14</b>	<b>23.64</b>	<b>51.60</b>	<b>59.95</b>	<b>54.78</b>	



**RESTATED SUMMARY STATEMENT OF SUNDRY DEBTORS & LOANS & ADVANCES (Consolidated)**

**ANNEXURE – 9**

**A) Sundry Debtors**

**(Rs. In Lacs)**

Particulars	As At					
	30th June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003
Unsecured, Considered Good						
Outstanding exceeding six months	931.85	1,305.99	356.80	265.59	243.24	132.53
Others	23,135.05	18,576.60	17,705.21	7,812.98	7,114.03	4,675.64
	24,066.90	19,882.59	18,062.01	8,078.57	7,357.27	4,808.17
Unsecured, Considered Doubtful						
Outstanding exceeding six months	840.37	723.96	650.50	395.73	389.77	232.69
Less: Provision for Doubtful Debts	840.37	723.96	650.50	395.73	389.77	232.69
<b>Total</b>	<b>24,066.90</b>	<b>19,882.59</b>	<b>18,062.01</b>	<b>8,078.57</b>	<b>7,357.27</b>	<b>4,808.17</b>

**B) Loans and Advances**

**(Rs. In Lacs)**

Particulars	As At					
	30th June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003
<b>Loans and Advances</b>						
(Unsecured, Considered Good unless otherwise stated)						
Receivable on sale of Subsidiary Company	-	-	826.00	-	-	-
Advances recoverable in cash or in kind or for value to be received						
Considered Good	7,534.02	6,542.11	5,082.80	3,314.68	2,544.58	3,005.42
Considered Doubtful	97.12	97.12	97.65	134.94	226.53	114.89
	7,631.14	6,639.23	5,180.45	3,449.62	2,771.11	3,120.31
Less: Provision for Doubtful Advances	97.12	97.12	97.65	134.94	226.53	114.89
	7,534.02	6,542.11	5,082.80	3,314.68	2,544.58	3,005.42
Loans Receivable - Secured	-	-	128.81	115.00	-	-
Balance with Customs, Port Trust, etc.	-	-	-	2.05	1.93	2.09
Tax Payments less Provisions	2,065.97	1,854.48	-	394.92	433.36	42.15
<b>Total</b>	<b>9,599.99</b>	<b>8,396.59</b>	<b>6,037.61</b>	<b>3,826.65</b>	<b>2,979.87</b>	<b>3,049.66</b>

**STATEMENT OF RELATED PARTIES (Consolidated)**
**ANNEXURE - 10**

(A)	Enterprises where control exists		
	(i)	Holding Company	From 28 <sup>th</sup> March 2008
			TCIM Limited, UK holds 54.42% of Equity Shares of the Company. Thomas Cook UK Limited, the holding company of TCIM Limited, UK is a subsidiary of Thomas Cook Group plc, the ultimate holding company.
			Upto 27th March 2008
			TCIM Limited, UK holds 54.42% of Equity Shares of the Company. Dubai Financial (LLC), the Holding Company of TCIM owns 7.36% of the Company. Dubai Financial (LLC) is a wholly owned subsidiary of Dubai Group, the Global investment arm of Dubai Holdings.
(B)	Other Related Parties with whom the company had transactions during the period		
	(i)	Fellow Subsidiaries	From 28 <sup>th</sup> March 2008
			Thomas Cook Overseas Limited, Egypt
			Thomas Cook Tour Operations Limited, UK
			Thomas Cook Signature Limited, UK
			Thomas Cook Reisen, Germany
			Neckermann Reisen, Germany
			Thomas Cook AG, Germany
			Upto 27th March 2008
			Thomas Cook Overseas Limited, Egypt
	(ii)	Key Management Personnel	Madhavan Menon
			Vinayak K. Purohit
			Nalini Gupta
			Parag Mehta
			Gautam Sharma
			Amitabh Pandey
			Dr. Prasanth Nair
			R. R. Kenkare
	(iii)	Relatives of Key Management Personnel	Lili Menon
	(iv)	Company in which a Director has significant influence	Upto 30 <sup>th</sup> March 2008
			LKP Merchant Financing Limited

**STATEMENT OF RELATED PARTY TRANSACTIONS**
**ANNEXURE - 10A**  
**(Rs. In Lacs)**

Particulars		Period/ Year Ended					
		6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
(i)	Holding Company						
	Income from Management Fees						
	Thomas Cook UK Limited	-	-	-	15.73	15.11	15.35
	Licence Fees paid						
	Thomas Cook UK Limited	47.25	-	138.16	109.75	112.24	103.34
	Dividend remitted						
	Thomas Cook Overseas Limited	-	-	-	328.13	328.13	288.75
	TCIM Limited, U.K.	-	437.50	328.13	-	-	-
	Dubai Financial LLC	-	59.17	-	-	-	-
	Balances as at the year end -						
	Outstanding Payables						
	Thomas Cook UK Limited	-	-	-	88.17	-	-
	Outstandings Receivables						
	Thomas Cook UK Limited	-	-	-	-	15.22	5.79
	Prepaid license fees						
	Thomas Cook UK Limited	-	-	-	-	18.94	17.53
(ii)	Fellow Subsidiaries						
	Sale of Services						
	Thomas Cook Tour Operations Limited, UK	857.19	-	1,378.32	2,720.85	2,255.40	1,689.53
	Neckermann Reisen, Germany	126.31	-	-	-	-	-
	Thomas Cook AG, Germany	68.62	-	414.26	-	12.00	12.00
	Thomas Cook Touristic GmbH, Germany	-	-	-	810.39	1,246.54	232.88
	Thomas Cook Overseas Limited, Egypt	-	4.75	-	-	-	-
	Others	20.97	-	270.34	669.94	118.72	504.04
	Services Availed						
	Thomas Cook Overseas Limited, Egypt	73.09	58.53	-	-	-	-
	Balances as at the year end -						
	Outstanding Receivables						
	Thomas Cook Touristic GmbH, Germany	-	-	-	-	62.95	21.28
	Thomas Cook Tour Operations Limited, UK	376.52	-	-	3.84	5.87	-
	Neckermann Reisen, Germany	67.92	-	-	-	-	-
	Thomas Cook AG, Germany	11.61	-	-	-	-	-
	Others	26.16	-	-	53.96	0.09	20.78

	Advances Received						
	Thomas Cook Tour Operations Limited, UK	-	-	-	-	125.34	503.82
	Others	-	-	-	3.16	0.76	486.77
	Outstanding Payables						
	Thomas Cook Overseas Limited, Egypt	17.99	24.66	-	-	-	-
(iii)	Key Management Personnel						
	Remuneration						
	Vinayak K. Purohit	57.99	98.54	-	-	-	-
	Parag Mehta	32.56	62.40	-	-	-	-
	Gautam Sharma	32.22	80.58	27.49	-	-	-
	A. M. Kakkar	-	-	318.18	124.49	105.91	92.62
	Madhavan Menon	68.56	163.62	109.23	80.43	74.87	65.90
	R. Banerjee	-	1.76	86.10	56.33	31.27	-
	P Shreekumar	-	-	-	-	34.74	56.60
	Nalini Gupta	56.24	74.99	-	-	-	-
	Others	56.45	151.70	205.52	159.72	138.10	132.05
(iv)	Relative of Key Management Personnel						
	Rent Expense						
	Lili Menon	8.03	-	-	-	-	-
	M. V. Kakkar	-	-	0.60	2.40	2.40	2.40
	Usha Sreekumar	-	-	-	-	0.83	2.40
	Balance as at the period end -						
	Deposit Receivable						
	M. V. Kakkar	-	-	-	390.00	390.00	390.00
	Usha Sreekumar	-	-	-	-	-	20.00
	Lili Menon	165.00	3.50	-	-	-	-
(v)	Company in which a Director has significant Influence						
	Rent and Professional Charges						
	LKP Merchant Financing Limited	58.19	279.56	-	-	-	-
	Jeena & Co	-	-	-	-	-	-
	Silver Complex Private Limited	-	-	-	-	-	-
	Sale of Services						
	Jeena & Co	-	-	-	-	-	-
	Watermaker India Private Limited	-	-	-	-	-	-
	Fenner Conveyer Belting Private Limited	-	-	-	-	-	-
	Professional Charges						
	Tamara Capital Advisors Private Limited	-	-	31.79	-	-	-

**RESTATED SUMMARY STATEMENT OF SEGMENT REPORTING**
**ANNEXURE - 11  
(Rs. In Lacs)**

		Period ended		Period ended		Year ended		Year ended		Year ended		Year ended	
		30th June, 2008		31st December, 2007		31st December, 2006		31st October, 2005		31st October, 2004		31st October, 2003	
<b>Information in respect of Primary Segments</b>													
(a)	Segment Revenue												
	Financial Services		2,513.40		3,551.83		4,289.84		2,893.14		3,557.19		3,191.82
	Travel and Related Services	13,886.28		25,039.08		16,046.86		9,737.95		9,288.24		7,613.33	
	Less: Inter Segment Revenue	-		-		0.27		0.60		0.44		27.17	
			13,886.28		25,039.08		16,046.59		9,737.35		9,287.80		7,586.16
	Others					616.91		465.55		380.73		305.41	
	Less: Inter Segment Revenue	-		-		16.08		5.17		4.51		2.10	
			-		-		600.83		460.38		376.22		303.31
			16,399.68		28,590.91		20,937.26		13,090.87		13,221.21		11,081.29
(b)	Segment Result												
	Financial Services												
	Travel and Related Services												
	Others	1,528.78		2,034.20		2,401.60		1,516.70		2,066.95		1,930.41	
		5,620.22		10,454.34		6,032.63		4,174.77		4,283.92		3,285.06	
	Less: Interest	-		-		(179.31)		127.54		85.26		130.57	
	Other Common Expenses		7,149.00		12,488.54		8,254.92		5,819.01		6,436.13		5,346.04
		1,505.84		2,858.54		577.78		63.00		63.28		105.29	
	Profit before Taxation and Exceptional items	2,217.40		3,103.15		1,794.65		1,336.91		1,969.07		1,808.38	
			3,723.24		5,961.69		2,372.43		1,399.91		2,032.35		1,913.67
			3,425.76		6,526.85		5,882.49		4,419.10		4,403.78		3,432.37
(c)	Other Information												
(i)	Segment Assets												
	Financial Services	12165.30		10,830.67		11,564.74		9,193.39		7,779.42		5,094.61	
	Travel and Related Services	36376.80		36,756.14		34,983.97		14,825.48		12,951.59		10,616.78	
	Others	-		-		-		596.05		490.89		350.65	
			48542.10		47,586.81		46,548.71		24,614.92		21,221.90		16,062.04

	Add: Common Assets		23,781.12		19,728.55		19,551.02		3,586.35		4,418.51		3,919.75
			72,323.22		67,315.36		66,099.73		28,201.27		25,640.41		19,981.79
(ii)	Segment Liabilities												
	Financial Services	1,891.73		2,275.72		3,690.06		2,022.84		2,879.83		1,058.82	
	Travel and Related Services	16,155.41		16,524.82		18,516.24		5,838.17		4,797.51		4,033.34	
	Others	-		-		-		283.24		225.36		154.24	
			18,047.14		18,800.54		22,206.30		8,144.25		7,902.70		5,246.40
	Add: Common Liabilities		33,047.57		29,718.81		27,889.55		3,372.10		3,281.82		2,477.19
			51,094.71		48,519.35		50,095.85		11,516.35		11,184.52		7,723.59
(iii)	Segment Capital Employed												
	(Segment Assets less Segment Liabilities)		-										
	Financial Services	10,273.59		8,554.95		7,874.68		7,170.55		4,899.59		4,035.79	
	Travel and Related Services	20,221.38		20,231.32		16,467.73		8,987.31		8,154.08		6,583.44	
	Others	-		-		-		312.81		265.53		196.41	
			30,494.97		28,786.27		24,342.41		16,470.67		13,319.20		10,815.64
	Add: Common Capital Employed		(9,266.46)		(9,990.26)		(8,338.53)		214.25		1,136.69		1,442.56
			21,228.51		18,796.01		16,003.88		16,684.92		14,455.89		12,258.20
(iv)	Capital Expenditure												
	Financial Services	88.95		400.43		401.29		161.17		248.88		73.32	
	Travel and Related Services	185.63		762.13		711.78		351.18		822.98		304.19	
	Others	-		-		56.71		41.33		29.66		14.58	
			274.58		1162.56		1169.78		553.68		1101.52		392.09
	Add: Common Capital Expenditure		384.93		389.45		681.63		227.84		323.15		259.60
			659.51		1552.01		1851.41		781.52		1424.67		651.69
(v)	Depreciation/Amortisation												
	Financial Services	108.93		203.69		269.54		151.06		74.02		56.00	
	Travel and Related Services	294.09		456.70		526.31		317.17		274.47		238.12	
	Others					30.29		16.32		12.06		10.15	
			403.02		660.39		826.14		484.55		360.55		304.27
	Add: Common Depreciation and Amortisation		142.27		223.99		328.18		199.28		215.06		155.46

			545.29		884.38		1154.32		683.83		575.61		459.73
(vi)	Significant Non Cash Expenditure												
	Financial Services	105.79		203.15		221.98		151.06		99.07		16.70	
	Travel and Related Services	322.67		590.28		710.82		415.70		302.68		139.92	
	Others	-				51.53		28.29		15.74		(1.82)	
			428.46		793.43		984.33		595.05		417.49		154.80
	Add: Common Non Cash Expenditure		142.27		223.99		328.18		199.28		-		1.09
			570.73		1017.42		1312.51		794.33		417.49		155.89
<b>Information in respect of Secondary Segments</b>													
(a)	Segment Revenue												
	India		15,214.92		26,846.13		19,203.99		11,838.19		11,906.04		10,230.83
	Rest of the World		1,184.76		1,744.78		1,733.27		1,252.68		1,315.17		850.46
			16,399.68		28,590.91		20,937.26		13,090.87		13,221.21		11,081.29
(b)	Carrying amount of Segment Assets												
	India	45,279.57		44,676.60		43,369.00		23,194.89		19,779.61		14,545.61	
	Rest of the World	3,262.53		2,910.21		3,179.71		1,420.03		1,442.29		1,516.43	
			48,542.10		47,586.81		46,548.71		24,614.92		21,221.90		16,062.04
	Add: Common Assets		23,781.12		19,728.55		19,551.02		3,586.35		4,418.51		3,919.75
			72,323.22		67,315.36		66,099.73		28,201.27		25,640.41		19,981.79
(c)	Capital Expenditure												
	India	247.47		1,074.94		1,078.48		471.38		972.10		357.49	
	Rest of the World	27.11		87.62		91.30		82.30		129.42		34.60	
			274.58		1,162.56		1,169.78		553.68		1,101.52		392.09
	Add: Common Capital Expenditure		384.93		389.45		681.63		227.84		323.15		259.60
			659.51		1,552.01		1,851.41		781.52		1,424.67		651.69

Note

- (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
  - Others - Include cargo business (upto 31st December, 2006)
- (ii) Geographical Segments
- India - Include revenue from customers within India.
  - Rest of the world - Include revenue from customers outside India,





**STATEMENT ON CONTINGENT LIABILITIES (Consolidated)**

**ANNEXURE - 12  
(Rs. In Lacs)**

Particulars	As At					
	30th June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003
Contingent Liabilities						
(i) Claims against the company not acknowledged as debts - Demand from Bombay Electricity Supply and Transport (BEST) for Electricity	19.61	19.61	19.61	19.61	19.61	11.76
Claims against the company not acknowledged as debts - Disputed Demand from DGFT, Mumbai under EPCG Licence	137.89	137.89	-	-	-	-
- Various Miscellaneous Claims	1.75	1.75		-	-	-
(ii) Disputed Income-tax Demands	2,019.05	1,536.60	1,536.60	185.34	185.34	185.34
(iii) Disputed Service tax Demands	923.26	-	-	-	-	-
(iv) Disputed Demand for increase in rent raised by Brihanmumbai Municipal Corporation	330.77	330.77	289.42	115.73	115.73	115.73
(v) Employees State Insurance claims disputed by the Company	-	-	0.07	-	-	-

**SIGNIFICANT ACCOUNTING POLICIES**

**ANNEXURE - 13**

1. Basis of Consolidation

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

a. List of subsidiary companies considered in the consolidated financial statements is as follows:

Subsidiaries	Country of Incorporation	Proportion of ownership interest as at					
		30th June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003
Thomas Cook Insurance Services (India) Limited	India	100%	100%	100%	100%	100%	100%
Indian Horizon Travel and Tours Limited	India	100%	100%	100%	100%	100%	100%
Thomas Cook Tours Limited	India	100%	100%	100%	100%	100%	100%
Travel Corporation of India Limited	India	100%	100%	100%	-	-	-



Subsidiaries	Country of Incorporation	Proportion of ownership interest as at					
		30th June, 2008	31st December, 2007	31st December, 2006	31st October, 2005	31st October, 2004	31st October, 2003
Hindustan Cargo Limited	India	-	-	100%	100%	100%	100%
Thomas Cook (Mauritius) Holding Company Limited	Mauritius	100%	100%	100%	100%	100%	100%
Thomas Cook (Mauritius) Operations Company Limited	Mauritius	100%	100%	100%	100%	100%	100%
Thomas Cook (Mauritius) Travel Limited	Mauritius	100%	100%	100%	100%	100% @	-
Thomas Cook (Mauritius) Holidays Limited	Mauritius	100%	100%	100%	100%	100% @	-
Thomas Cook Lanka Holdings (Private) Limited	Sri Lanka	100%	100%	100%	100%	100% @	-
Airline Services Lanka (Private) Limited	Sri Lanka	100%	100%	100%	100%	100% @	-
Thomas Cook Travel (Thailand) Limited#	Thailand	-	-	49%	-	-	-

@ The above subsidiary companies were incorporated during the year ended 31st October 2004, and have not been considered in the consolidated financial statements as either there were no activities carried out by these companies during the period or their state of affairs as at the year end and the results of operations for the period are not material in relation to the consolidated financial statements.

# Thomas Cook Travel (Thailand) Limited (TCTTL) was a subsidiary company as the voting power held by the company in TCTTL was 83%.

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

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

- (a) **Basis of Accounting**  
The financial statements are prepared in accordance with the historical cost convention.
- (b) **Fixed Assets and Depreciation**
- i. The gross block of fixed assets is stated at the purchase price of acquisition of such fixed assets (adjusted for increase/decrease on account of exchange variation) including any attributable cost for bringing the asset to its working condition for its intended use.
  - ii. Depreciation on fixed assets is provided at the rates specified in Schedule XIV of the Companies Act, 1956 or the rates determined based on the useful lives of the assets as estimated by the management, whichever are higher. Depreciation is provided on Straight Line Method. The rates adopted for depreciation determined on the basis of useful lives of fixed assets are as follows:

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

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

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

### **Significant Accounting Policies:**

(c) (i) Foreign Currency Transactions

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

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

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

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

(ii) Foreign Branch and Subsidiaries

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

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

Revenue items except depreciation are translated at average rate.

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

(d) Investments

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

(e) Employee Benefits

i. Defined Contribution Plans

Contributions to Defined Contribution schemes such as provident fund and superannuation are charged to the profit and loss account as incurred. Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Contributions to gratuity and superannuation schemes are based on the premium contributions called for by the Life Insurance Corporation of India (LIC) with whom the company has entered into an arrangement for its Indian operations. Any shortfall/excess based on independent actuarial valuation is accounted for in the relevant period. The Company has done an actuarial valuation during the last financial year end. In accordance with the Accounting Standards, the charge for current period is taken on a proportionate basis to the charge as per the last financial period end.

## ii. Defined Benefit Plan

The company provides for leave encashment benefits on the basis of valuations, as at the balance sheet date, made by independent actuaries. The Company has done an actuarial valuation during the last financial year end. In accordance with the Accounting Standards, the charge for current period is taken on a proportionate basis to the charge as per the last financial period end.

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

### (f) Employee Stock Option plan

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

### (g) Turnover

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

### (h) Revenue Recognition

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

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

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

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

Revenue from other income is accounted on accrual basis.

### (i) Leases

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

### (j) Taxes on Income

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

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

**CHANGES IN THE ACCOUNTING POLICIES (Consolidated)**
**ANNEXURE - 13A**

- (i) Travel Corporation of India has changed its method of depreciation and depreciation rates to align them with the method of depreciation and depreciation rates followed by its holding company Thomas Cook (India) Limited.
- (ii) Thomas Cook Insurance Services (India) Limited has changed the policy of recognising revenue from commission on insurance policies sold on the basis of effective commencement of the policies from the year ended 31st October 2005. Hitherto such revenue was being recognised on the basis of issue of policies.
- (iii) Revenue Recognition
- The Holding Company has changed its policy of accounting for revenue on holiday packages to proportionate basis considering the actual number of days completed at the year end to the total number of days for each tour w.e.f the year ended 31st October 2004. Hitherto this revenue on holiday packages was accounted on commencement of the tour.
- (iv) Start up costs
- The Company changed its policy to amortise start up costs in the year in which it is incurred w.e.f the year ended 31st October 2004. Hitherto it was amortised over a three year period
- (v) In the quarter ended 31st March 2007, the Company changed its policy to not account for exchange rate difference of forward contracts entered in to hedge the foreign currency risks of highly probable transactions. Hitherto the exchange rate difference was accounted in the financial statements.

**Impact on profits due to restatement and other material adjustments made to the audited financial statements**

(Rs in Lacs)

SI No	Particulars	Period/ Year Ended					
		6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
<b>(A)</b>	<b>Reported profit/ (loss) after tax but before non - recurring item as per audited Profit and Loss Account</b>	<b>2,252.56</b>	<b>5,191.45</b>	<b>3,778.29</b>	<b>2,848.07</b>	<b>2,803.69</b>	<b>2,177.99</b>
	Effects of changes in accounting policies						
(i)	Revenue Recognition - Thomas Cook Insurance Services (India) Limited	-	-	-	4.57	(2.70)	(1.87)
(ii)	Revenue Recognition	-	-	-	-	15.12	(15.12)
(iii)	Start up costs	-	-	-	-	-	19.60
(iv)	Forward Contract	-	(33.06)	33.06	-	-	-
	On account of Other Adjustment						
(i)	Tax on Non Compete Fees (Refer Note 1)	-	(747.78)	-	-	-	-
<b>(B)</b>	<b>Total impact of entries</b>	<b>-</b>	<b>(780.84)</b>	<b>33.06</b>	<b>4.57</b>	<b>12.42</b>	<b>2.61</b>
<b>(C)</b>	<b>Restated profits before non recurring items but after adjustments</b>	<b>2,252.56</b>	<b>4,410.61</b>	<b>3,811.35</b>	<b>2,852.64</b>	<b>2,816.11</b>	<b>2,180.60</b>
<b>(D)</b>	<b>Reserves before adjustments</b>	<b>9,810.53</b>	<b>7,549.63</b>	<b>3,793.94</b>	<b>15,227.49</b>	<b>13,002.99</b>	<b>10,817.66</b>
(i)	Previous years' restatement adjustment to reserve	(747.78)	33.06	-	-	(16.99)	-
(ii)	Impact of above	-	(780.84)	33.06	-	12.42	2.61
(iii)	Start up costs	-	-	-	-	-	(19.60)
(iv)	Change in method of depreciation - Travel Corporation (India) Limited	-	-	182.62	-	-	-
<b>(E)</b>	<b>Reserves after adjustments</b>	<b>9,062.75</b>	<b>6,801.85</b>	<b>4,009.62</b>	<b>15,227.49</b>	<b>12,998.42</b>	<b>10,800.67</b>

**Note:**

- 1 The Company had considered Non Compete Fees amounting to Rs. 2,200 Lacs paid during the financial year ended December 31, 2007 as an allowable expenditure for the purpose of computing the provision for tax based on legal opinion. However, for the purposes of Restated Financial Information, the Company has considered the same as a disallowable expenditure and has adjusted the tax impact amounting to Rs. 747.78 lacs accordingly.

**NOTES TO THE ACCOUNTS (Consolidated)**

**ANNEXURE - 14**

- a) The tax year for the company being the year ending 31st March, the provision for taxation for the year is the aggregate of the provision made for the three months ended 31st March, 2008 and the provision based on the figures for the remaining three months up to 30th June, 2008, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April, 2008 to 31st March, 2009.
- b) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.18,293,608.
- c) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at 30th June 2008. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- d) Details of subsidiaries that have ceased to be subsidiaries of the company during the last five years:

	6 months ended 30th June, 2008	12 months ended 31st December, 2007	14 months ended 31st December, 2006	12 months ended 31st October, 2005	12 months ended 31st October, 2004	12 months ended 31st October, 2003
<b>Hindustan Cargo Limited ceased to be subsidiary from 29th December 2006</b>						
Gross Turnover	-	-	633.03	480.72	389.63	403.72
Profit before tax	-	-	133.97	127.54	84.09	80.44
Profit after tax	-	-	63.12	79.04	53.28	47.43
<b>Thomas Cook Travel (Thailand) Limited ceased to be subsidiary from 24th July 2007</b>						
Gross Turnover	-	-	4.61	-	-	-
Profit before tax	-	(6.84)	(10.12)	-	-	-
Profit after tax	-	(6.84)	(10.12)	-	-	-



## FINANCIAL INFORMATION OF GROUP COMPANIES

*In this Letter of Offer the terms “group companies” or “Group Companies” means group companies for the purposes of and in accordance with SEBI DIP Guidelines and not under any other statute, rules or regulations, including any license, consent or approval received from any regulatory or government authority.*

Our Group Companies, in accordance with SEBI DIP Guidelines are as under:

1. JMCH Services Limited
2. Thomas Cook Deutschland Limited
3. Thomas Cook Pension Trust Limited
4. Thomas Cook Signature Limited
5. Thomas Cook TV Limited
6. Thomas Cook UK Travel Limited
7. Thomascook.com Limited
8. Thomas Cook Group Treasury Ltd
9. Thomas Cook Overseas Limited
10. Elegant Resorts Limited
11. Thomas Cook Lebanon SAL
12. Thomas Cook Personal Finance Limited

### 1. JMCH Services Limited (“JMCHSL”)

JMCHSL was incorporated on June 4, 1997 in England, United Kingdom. The object, inter alia, as mentioned in the charter documents is to act as a general commercial enterprise and holding company. The registered office of the JMCHSL is located at The Thomas Cook Business Park, Coningsby Road, Peterborough, Cambs, PE3 8SB, England. JMCHSL is dormant and there are no plans to commence trading activities in the foreseeable future.

#### Board of Directors

The board of directors of JMCHSL as on the date of filing of the Letter of Offer comprises – Gadsby Christopher James and Hallisey, David Michael William.

#### Shareholding Pattern

JMCHSL is a 100% subsidiary of TCUK.

#### Details of change in management

Changes in Board of Directors of JMCHSL during the last three years are as follows:

Name	Appointed	Resigned
Ailles, Ian Simon	31/01/2003	01/03/2007
Gadsby, Christopher James	29/01/2007	--

#### Financial Performance

No profit and loss account has been prepared as JMCHSL did not trade during the above period. The financial performance as approved by the board of JMCHSL for the last three years is given below:

For the year ended	October 31, 2007		October 31, 2006		October 31, 2005	
	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)
Equity Capital (48,537,000 ordinary shares of £1 each & “A” ordinary shares – 20,000,000 of £1 each)	68,537	58,647.11	68,537	58,647.11	68,537	58,647.11
Reserves	30,139	25,789.94	30,139	25,789.94	30,139	25,789.94



## Other Details

JMCHSL is an unlisted company and has not made any public issue or rights issue in the previous three years. JMCHSL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up. There are no common pursuits between JMCHSL and our Company. There are no transactions between JMCHSL and our Company during the last three years. As on the date of filing of the Letter of Offer, there are no litigations pending by or against JMCHSL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against JMCHSL.

## 2. Thomas Cook Deutschland Limited (“TCDL”)

TCDL was incorporated on April 7, 1978 in England, United Kingdom. The object, inter alia, as mentioned in the charter documents is to act as a general commercial enterprise. The registered office of the JMCHSL is located at The Thomas Cook Business Park, Coningsby Road, Peterborough, Cambs, PE3 8SB, England. TCDL is dormant and there are no plans to commence trading activities in the foreseeable future.

### Board of Directors

The board of directors of TCDL as on the date of filing of the Letter of Offer comprises – Gadsby Christopher James and Hallisey, David Michael William

### Shareholding Pattern

TCDL is a 100% subsidiary of TCUK.

### Details of change in management

Changes in Board of Directors of TCDL during the last three years are as follows:

Name	Appointed	Resigned
Ailles, Ian Simon	31/01/2003	01/03/2007
Gadsby, Christopher James	29/01/2007	--

### Financial Performance

The financial performance as approved by the board of TCDL for the last three years is given below:

No profit and loss account has been prepared as TCDL did not trade during the above period.

For the year ended	October 31, 2007		October 31, 2006		October 31, 2005	
	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)
Equity Capital (200,000 ordinary shares of £1 each)	200	171.14	200	171.14	200	171.14
Reserves	(1,039)	(889.07)	(1,039)	(889.07)	(1,039)	(889.07)
Net Asset Value per ordinary share of £1 each (£/Rs)	(4.20)	(358.97)	(4.20)	(358.97)	(4.20)	(358.97)

### Other Details

TCDL is an unlisted company and has not made any public issue or rights issue in the previous three years. TCDL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up. There are no common pursuits between TCDL and our Company. There are no transactions between TCDL and our Company during the last three years. As on the date of filing of the Letter of Offer, there are no litigations pending by or against TCDL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCDL.





### 3. Thomas Cook Pension Trust Limited (“TCPTL”)

TCPTL was incorporated on October 12, 1979 in England, United Kingdom. The object, inter alia, as mentioned in the charter documents is to act as a pension fund trustee. The registered office of the TCPTL is located at The Thomas Cook Business Park, Coningsby Road, Peterborough, Cambs, PE3 8SB, England. TCPTL is engaged in acting as Trustee of the Thomas Cook Pension Plan.

#### Board of Directors

The board of directors of TCPTL as on the date of filing of the Letter of Offer comprises:

1. Adkin, William Clive
2. Atkins, Andrew John
3. Case, Geoffrey Avion
4. Gilmartin, Paul Christopher Richard
5. Gray, Stuart Norman
6. Hallisey, David Michael William
7. Harvey, Stephen John
8. Hunt, Graham Richard
9. Porter, Lester William Morley

#### Shareholding Pattern

TCPTL is a 100% subsidiary of TCUK.

#### Details of change in management

Changes in Board of Directors of TCPTL during the last three years are as follows:

Name	Appointed	Resigned
Cooper, Graham Bert	01/10/1990	02/12/2005
Atkins, Andrew John	02/12/2005	--

#### Financial Performance

The financial performance as approved by the Board of TCPTL for the last three years is given below:

No profit and loss account has been prepared as TCPTL did not trade during the above period.

For the year ended	October 31, 2007		October 31, 2006		October 31, 2005	
	(£)	(Rs )	(£)	(Rs )	(£)	(Rs )
Called up share capital	2	171.14	2	171.14	2	171.14

#### Other Details

TCPTL is an unlisted company and has not made any public issue or rights issue in the previous three years. TCPTL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up. There are no common pursuits between TCPTL and our Company. There are no transactions between TCPTL and our Company during the last three years. As on the date of filing of the Letter of Offer, there are no litigations pending by or against TCPTL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCPTL.



#### 4. Thomas Cook Signature Limited (“TCSL”)

TCSL was incorporated on October 12, 2000 in England, United Kingdom. The object, inter alia, as mentioned in the charter documents is to act as a general commercial enterprise and tour operator. The registered office of the TCSL is located at 17 Coningsby Road, Peterborough, Cambridgeshire, PE3 8SB, England. The principal activity of TCSL is the organization of travel for leisure, trading as Thomas Cook Signature.

##### Board of Directors

The board of directors of TCSL as on the date of filing of the Letter of Offer comprises – Gadsby Christopher James and Hallisey, David Michael William

##### Shareholding Pattern

TCSL is a 100% subsidiary of TCUK.

##### Details of change in management

Changes in Board of Directors of TCSL during the last three years are as follows:

Name	Appointed	Resigned
Gadsby, Christopher James	04/08/2008	--
Fontenla-Novoa, Manny	31/01/2003	04/08/2008

##### Financial Performance

The audited financial performance of TCSL for the last three years is given below:

For the year ended	October 31, 2007		October 31, 2006		October 31, 2005	
	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)
Turnover	168,833	144,470.40	193,937	165,951.89	199,089	170,360.46
Retained Profit	3,702	3,167.80	1,853	1,585.61	2,240	1,916.77
Equity Capital (1,000 ordinary shares of £1 each)	1	0.86	1	0.86	1	0.86
Reserves	(1,503)	(1,286.12)	(8,687)	(7,433.47)	(4,943)	(4,229.73)
Earnings per ordinary share of £1 each (£/Rs)	3,702	316,780	1,853	158,561	2,240	191,677
Net Asset Value per ordinary share of £1 each (£/Rs)	(1,502)	(128,526)	(8,685)	(743,175)	(4,942)	(422,887)

##### Other Details

TCSL is an unlisted company and has not made any public issue or rights issue in the previous three years. TCSL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up. There are no common pursuits between TCSL and our Company. There are no transactions between TCSL and our Company during the last three years. As on the date of filing of the Letter of Offer, there are no litigations pending by or against TCSL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCSL.

#### 5. Thomas Cook TV Limited (“TCTVL”)

TCTVL was incorporated on June 29, 1999 in England, United Kingdom. The object, inter alia, as mentioned in the charter documents is to act as a general commercial enterprise and retailer of travel services by television. The registered office of the TCTL is located at 17 Coningsby Road, Peterborough, Cambridgeshire, PE3 8SB, England. TCTVL is a UK broadcast TV channel, retailing travel related goods and services.



## Board of Directors

The board of directors of TCTVL as on the date of filing of the Letter of Offer comprises – Hallisey, David Michael William and Thomas Cook Group Management Services Limited

## Shareholding Pattern

TCTVL is a 100% subsidiary of TCUK.

## Details of change in management

Changes in Board of Directors of TCTVL during the last three years are as follows:

Name	Appointed	Resigned
Thomas Cook Group Management Services Limited	15/08/2008	--
Ailles, Ian Simon	31/01/2003	01/03/2007
Fontenla-Novoa, Manny	31/01/2003	15/08/2008

## Financial Performance

The audited financial performance of TCTVL for the last three years is given below:

For the year ended	October 31, 2007		October 31, 2006		October 31, 2005	
	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)
Turnover	4,008	3,429.65	5,957	5,097.40	8,025	6,866.99
Retained Profit	(2,753)	(2,355.74)	(1,981)	(1,695.14)	(1,709)	(1,462.39)
Equity Capital (100 ordinary shares of £1 each)	0.10	0.09	0.10	0.09	0.10	0.09
Reserves	(20,066)	(17,170.48)	(17,313)	(14,814.73)	(15,332)	(13,119.59)
Earnings per ordinary share of £1 each (£/Rs)	(27,530)	(2,355,742)	(19,810)	(1,695,142)	(17,090)	(1,462,391)
Net Asset Value per ordinary share of £1 each (£/Rs)	(200,659)	(17,170,391)	(173,129)	(14,814,649)	(153,319)	(13,119,507)

## Other Details

TCTVL is an unlisted company and has not made any public issue or rights issue in the previous three years. TCTVL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up. There are no common pursuits between TCTVL and our Company. There are no transactions between TCTVL and our Company during the last three years. As on the date of filing of the Letter of Offer, there are no litigations pending by or against TCTVL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCTVL.

## 6. Thomas Cook UK Travel Limited (“TCUTL”)

TCUTL was incorporated on April 7, 1978 in England, United Kingdom. The object, inter alia, as mentioned in the charter documents is to act as a general commercial enterprise. The registered office of the TCUTL is located at The Thomas Cook Business Park, Coningsby Road, Peterborough, Cambs, PE3 8SB, England. TCUTL is dormant and there are no plans to commence trading activities in the foreseeable future

## Board of Directors

The board of directors of TCUTL as on the date of filing of the Letter of Offer comprises:

1. Bueser, Juergen
2. Fontenla-Novoa, Manny
3. Hallisey, David Michael William



## Shareholding Pattern

TCUTL is a 100% subsidiary of TCUK.

## Details of change in management

Changes in Board of Directors of TCUTL during the last three years are as follows:

Name	Appointed	Resigned
Bueser, Juergen	14/06/2007	--

## Financial Performance

No profit and loss account has been prepared as TCUTL did not trade during the above period. The financial performance as approved by the Board of TCUTL for the last three years is given below:

For the year ended	October 31, 2007		October 31, 2006		October 31, 2005	
	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)
Equity Capital (21,000 ordinary shares of £1 each)	21	17.97	21	17.97	21	17.97
Reserves	(35)	(29.95)	(35)	(29.95)	(35)	(29.95)

## Other Details

TCUTL is an unlisted company and has not made any public issue or rights issue in the previous three years. TCUTL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up. There are no common pursuits between TCUTL and our Company. There are no transactions between TCUTL and our Company during the last three years. As on the date of filing of the Letter of Offer, there are no litigations pending by or against TCUTL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCUTL.

## 7. Thomascook.com Limited ("TCL")

TCL was incorporated on July 18, 1986 in England, United Kingdom. The object, interalia, as mentioned in the charter documents is to act as a general commercial enterprise and on-line retailer of travel goods and services. The registered office of the TCL is located at The Thomas Cook Business Park, Coningsby Road, Peterborough, Cambs, PE3 8SB, England. TCL is a UK online multi channel retailer of travel related foods and services

## Board of Directors

The board of directors of TCL as on the date of filing of the Letter of Offer comprises:

1. Fontenla-Novoa, Manny
2. Gadsby, Christopher James
3. Hallisey, David Michael William

## Shareholding Pattern

TCL is a 100% subsidiary of TCUK.

## Details of change in management

Changes in Board of Directors of TCL during the last three years are as follows:

Name	Appointed	Resigned
Ailles, Ian Simon	05/02/2003	01/03/2007
Gadsby, Christopher James	29/01/2007	--



Name	Appointed	Resigned
Hallisey, David Michael William	14/06/2007	--

## Financial Performance

The audited financial performance of TCL for the last three years is given below:

For the year ended	October 31, 2007		October 31, 2006		October 31, 2005	
	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)
Turnover	15,704	13,437.91	21,015	17,982.54	16,710	14,298.75
Retained Profit	997	853.13	(233)	(199.38)	1,190	1,018.28
Equity Capital (2 ordinary shares of £1 each)	0.00	0.00	0.00	0.00	0.00	0.00
Reserves	(35,333)	(30,234.45)	(36,330)	(31,087.58)	(36,097)	(30,888.20)
Earnings per ordinary share of £1 each (£/Rs in lacs)	498,500	427	(116,500)	(100)	595,000	509
Net Asset Value per ordinary share of £1 each (£/Rs in lacs)	(17,666,499)	(15,117)	(18,164,999)	(15,544)	(18,048,499)	(15,444)

## Other Details

TCL is an unlisted company and has not made any public issue or rights issue in the previous three years. TCL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up. There are no common pursuits between TCL and our Company. There are no transactions between TCL and our Company during the last three years. As on the date of filing of the Letter of Offer, there are no litigations pending by or against TCL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCL.

## 8. Thomas Cook Group Treasury Ltd (“TCGTL”)

TCGTL was incorporated on April 24, 2008 in England, United Kingdom. The object, inter alia, as mentioned in the charter documents is to act as a general commercial enterprise and provide treasury services. The registered office of the TCGTL is located at The Thomas Cook Business Park, Coningsby Road, Peterborough, Cambs, PE3 8SB, England. TCGTL is engaged in the provision of treasury services to the Thomas Cook Group.

## Board of Directors

The board of directors of TCGTL as on the date of filing of the Letter of Offer comprises:

1. Bradley, Shirley
2. Coates, Roger John
3. Gadsby, Christopher James
4. Gilmartin, Paul Christopher Richard
5. Hallisey, David Michael William
6. Heuberg, Heinz Ludger
7. Pott, Dieter
8. Thomas Cook Group Management Services Limited

## Shareholding Pattern

TCGTL is a 100% subsidiary of TCUK.

## Details of change in management

Changes in Board of Directors of TCGTL during the last three years are as follows:



Name	Appointed	Resigned
Coates, Roger John	16/05/2008	--
Gadsby, Christopher James	16/05/2008	--
Gilmartin, Paul Christopher Richard	16/05/2008	--
Hallisey, David Michael William	16/05/2008	--
Heuberg, Heinz Ludger	16/05/2008	--
Pott, Dieter	16/05/2008	--
Thomas Cook Group Management Services Limited	16/05/2008	--

## Financial Performance

TCGTL is a newly incorporated company with an equity capital of 100 ordinary shares of £1 each. Hence, no audited accounts are available.

## Other Details

TCGTL is an unlisted company and has not made any public issue or rights issue in the previous three years. TCGTL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up. There are no common pursuits between TCGTL and our Company. There are no transactions between TCGTL and our Company during the last three years. As on the date of filing of the Letter of Offer, there are no litigations pending by or against TCGTL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCGTL.

## 9. Thomas Cook Overseas Limited ("TCOL")

TCOL was incorporated on April 23, 1947 in England, United Kingdom. The object, inter alia, as mentioned in the charter documents is to act as a general commercial enterprise and holding company. The registered office of the TCOL is located at The Thomas Cook Business Park, Coningsby Road, Peterborough, Cambs, PE3 8SB, England. TCOL is an intermediate holding and trading company conducting its affairs through its branch in Egypt. TCOL, through its subsidiaries, is principally engaged in the business of:

1. World travel agents
2. Foreign exchange dealers

## Board of Directors

The board of directors of TCOL as on the date of filing of the Letter of Offer comprises:

1. Bueser, Juergen
2. Gadsby, Christopher James
3. Hallisey, David Michael William

## Shareholding Pattern

TCOL is a 100% subsidiary of TCUK.

## Details of change in management

Changes in Board of Directors of TCOL during the last three years are as follows:

Name	Appointed	Resigned
Bueser, Juergen	03/04/2008	--
Gadsby, Christopher James	03/04/2008	--
Hallisey, David Michael William	03/04/2008	--
Ailles, Ian Simon	04/10/2001	13/07/2006
Fontenla-Novoa, Manny	31/01/2003	13/07/2006



Name	Appointed	Resigned
Grund, Thomas Heinz	01/03/2006	13/07/2006

## Financial Performance

The audited financial performance of TCOL for the last three years is given below:

For the year ended	July 31, 2007 (12 Months)		9 months period ended July 31, 2006		October 31, 2005 (12 Months)	
	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)
Turnover	4,502	3,852.36	3,477	2,975.27	7,521	6,435.72
Retained Profit	788	674.29	9,483	8,114.60	(5,009)	(4,286.20)
Equity Capital (75,07,140 ordinary shares of £1 each)	7,507	6,423.74	7,507	6,423.74	7,507	6,423.74
Reserves	1,728	1,478.65	1,275	1,091.02	(8,043)	(6,882.40)
Earnings per ordinary share of £1 each (£/Rs)	0.10	8.98	1.26	108.09	(0.67)	(57.09)
Net Asset Value per ordinary share of £1 each (£/Rs)	1.23	105.27	1.17	100.10	(0.07)	(6.11)

## Other Details

TCOL is an unlisted company and has not made any public issue or rights issue in the previous three years. TCOL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up. There are no common pursuits between TCOL and our Company. There are no transactions between TCOL and our Company during the last three years. As on the date of filing of the Letter of Offer, there are no litigations pending by or against TCOL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCOL.

## 10. Elegant Resorts Limited (“ERL”)

ERL was incorporated on February 18, 1987 in England, United Kingdom. The object, inter alia, as mentioned in the charter documents is to act as a general commercial enterprise and tour operator. The registered office of the ERL is located at The Old Palace, Chester, Cheshire, CH1 1RB, United Kingdom. ERL is engaged in the provision of tour operator services.

## Board of Directors

The board of directors of ERL as on the date of filing of the Letter of Offer comprises:

1. Atkinson, Paul
2. Bueser, Juergen
3. Catchpole, Barbara
4. Derbyshire, Ian
5. Fontenla-Novoa, Manny
6. Moss, Geoffrey Philip
7. Thomson, Ian

## Shareholding Pattern

ERL is a 100% subsidiary of TCUK.

## Details of change in management

There have been no changes in board of directors of ERL during the last three years.

## Financial Performance

The audited standalone financial performance of ERL for the last three years is given below:

For the year ended	December 31, 2007		December 31, 2006		9 months period ended December 31, 2005	
	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)	(£'000)	(Rs in Lacs)
Turnover	60,657	51,904.19	59,870	51,230.76	38,452	32,903.38
Retained Profit	(44)	(37.65)	50	42.79	(2,056)	(1,759.32)
Equity Capital (ordinary shares of £1 each)	53	45.35	53	45.35	52	44.50
Reserves	6,039	5,167.57	6,006	5,139.33	5,976	5,113.66
Earnings per ordinary share of £1 each (£/Rs)	(0.83)	(71.04)	0.94	80.73	(38.79)	(3,319.47)
Net Asset Value per ordinary share of £1 each (£/Rs)	114.94	9,835.71	114.32	9,782.43	114.74	9,817.95

## Other Details

ERL is an unlisted company and has not made any public issue or rights issue in the previous three years. ERL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up. There are no common pursuits between ERL and our Company. There are no transactions between ERL and our Company during the last three years. As on the date of filing of the Letter of Offer, there are no litigations pending by or against ERL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against ERL.

## 11. Thomas Cook Lebanon SAL (“TCLSAL”)

Thomas Cook Lebanon S.A.L. is a joint stock company incorporated in Lebanon and registered at the Beirut Commercial Court on 8 January 2004, under commercial register number 1002 163. The address of the TCLSAL is Congress building, Hamra street, Beirut, Lebanon. The principal activity of the TCLSAL is to secure and sell travel tickets or any similar notes and to organise touristic tours, whether individual or collective, from Lebanon to abroad or vice-versa according to specific programs showing the services rendered in connection with the residence, visits and transportation and any other required services.

## Board of Directors

The board of directors of TCLSAL as on the date of filing of the Letter of Offer comprises:

1. Mounir Kamal
2. Antoine Abboud
3. Antoine Wakim

## Shareholding Pattern

Particulars	No. of shares held	Shareholding (%)
Thomas Cook UK Limited	2,997	99.9%
Mounir Kamal	1	0.03%
Antoine Abboud	1	0.03%
Antonine Wakim	1	0.03%
<b>Total</b>	<b>3,000</b>	





## Details of change in management

The shareholders of TCLSAL in the Ordinary General Assembly held on March 3, 2008 approved the transfer of 2,997 shares in the capital of TCLSAL made by Thomas Cook Destinations GmbH to Dubai Financial Group LLC and from Dubai Financial Group LLC to Thomas Cook UK Limited.

## Financial Performance

The audited financial performance for the last three years is given below:

For the year ended	December 31, 2007		December 31, 2006		December 31, 2005	
	(LBP'000)	(Rs in Lacs)	(LBP'000)	(Rs in Lacs)	(LBP'000)	(Rs in Lacs)
Total income	180,496	55.45	164,740	50.61	98,597	30.29
Profit/(Loss) after Tax	(304,702)	(93.60)	(235,158)	(72.24)	(292,178)	(89.76)
Equity Capital (3,000 shares of LBP 10,000 each fully paid)	30,000	9.22	30,000	9.22	30,000	9.22
Reserves & Surplus (deficit) (excluding revaluation reserve)	(1,182,697)	(363.32)	(877,995)	(269.72)	(608,551)	(186.95)
Earnings per Share (LBP/Rs)	(101,567.33)	(3,120.15)	(78,386.00)	(2,408.02)	(97,392.67)	(2,991.90)
Net Asset Value per equity share (LBP/Rs)	(384,232.33)	(11,803.62)	(282,665.00)	(8,683.47)	(192,850.33)	(5,924.36)

## Other Details

TCLSAL is an unlisted company and has not made any public issue or rights issue in the previous three years. TCLSAL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up. There are no common pursuits between TCLSAL and our Company. There are no transactions between TCLSAL and our Company during the last three years. As on the date of filing of the Letter of Offer, there are no litigations pending by or against TCLSAL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCLSAL.

## 12. Thomas Cook Personal Finance Limited ("TCPFL")

TCPFL was incorporated on September 1, 2006 in England, United Kingdom. The object, inter alia, as mentioned in the charter documents is to act as a general commercial enterprise. The registered office of the TCPFL is located at 1 Churchill Place, London, E14 5HP, United Kingdom. TCPFL is engaged in the business of issuing credit cards.

## Board of Directors

The board of directors of TCPFL as on the date of filing of the Letter of Offer comprises:

Name	Position
Bueser, Juergen	Director
Chambers, Elizabeth Grace	Director
Fabara, Paul	Director
Nancarrow, Mark James St. John	Chairman
Robinson, Simon Lee	Director
Thomson, William Robert	Director

## Shareholding Pattern

TCPFL is 50:50 joint venture between TCUK and Barclays Bank plc.

## Details of change in management

Changes in Board of Directors of TCPFL during the last three years are as follows:

Name	Appointed
Bueser, Juergen	08/09/2006
Chambers, Elizabeth Grace	06/12/2006
Fabara, Paul	06/12/2006
Nancarrow, Mark James St. John	15/01/2007
Robinson, Simon Lee	08/09/2006
Thomson, William Robert	01/09/2006

## Financial Performance

TCPFL is recently incorporated. The audited financial statements from September 1, 2006 to December 31, 2007 are given below:

For the period ended	September 1, 2006 to December 31, 2007	
	(GBP'000)	(Rs in Lacs)
Other Operating Income	1,301	1,113.27
Retained Profit	(6,355)	(5,437.97)
Equity Capital (50 Class A ordinary shares & 50 Class B ordinary shares of £1 each )	0.10	0.09
Reserves	(6,355)	(5,437.97)
Earnings per ordinary share of £1 each (£/Rs)	(63,550)	(5,437,974)
Net Asset Value per ordinary share of £1 each (£/Rs)	(63,549)	(5,437,888)

## Other Details

TCPFL is an unlisted company and has not made any public issue or rights issue in the previous three years. TCPFL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up. There are no common pursuits between TCPFL and our Company. There are no transactions between TCPFL and our Company during the last three years. As on the date of filing of the Letter of Offer, there are no litigations pending by or against TCPFL. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TCPFL.



## MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATIONS AND FINANCIAL CONDITIONS

*Please read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Letter of Offer. You should also read the section titled “Risk Factors” beginning on page viii of this Letter of Offer, which discusses a number of factors and contingencies that could impact our financial condition and results of operations.*

*These financial statements have been prepared in accordance with Indian GAAP, The Companies Act, 1956 and the SEBI (DIP) Guidelines (as amended from time to time) and restated as described in Auditor’s report of M/s Lovelock & Lewes, Chartered Accountants dated December 19, 2008 in the section titled “Financial Statements” – beginning on page 151 of this Letter of Offer.*

### Overview

#### Industry

India is an attractive and preferred tourist destination. A 5,000 years history, rich cultural heritage, natural beauty, diversity of religion and alternative medicine fascinate budget and luxury travelers alike. Tourism in India has registered significant growth in the recent years. In 1951, international tourist arrivals stood at around 17,000 which has gone up to 4.45 million in 2006 and 5 mn in 2007. Indian tourism is one of the most diverse products on the global tourism scene. India has 26 world heritage sites. It is divided into 25 bio-geographic zones and has wide ranging eco tourism products. Apart from this, India has a 6,000 km coastline and dozens of beaches. India’s great ethnic diversity translates into a wide variety of cuisine and culture. India also has a large number of villages, plantations and adventure locations. India is home to a great variety of wildlife and its wildlife reserves are well known throughout the world. It also has one of the world’s biggest railway systems opening possibilities for those interested in rail tourism. India also has excellent hospitals offering affordable medicare and traditional healthcare systems like Ayurveda.

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

For more details please refer to page 47 relating to “Industry Overview”.

#### Business

Our Company was incorporated on October 21, 1978 under the Act. It is one of the largest travel and financial services Company in India, offering a wide spectrum of travel-related services that include Foreign Exchange, Travel management, Leisure Travel, and Travel Insurance. It operates in through the following divisions:

- Foreign Exchange and Financial Services – Authorized dealers in foreign exchange focused on providing travel related foreign exchange & payment solutions. Our Company also offers credit cards and financial services relating to travel insurance.
- Travel & Related Services – Services include consumer leisure travel retailing (such as retailing of package tours), travel management services (such as air, hotel reservations and land arrangements), leisure inbound service (services for customers of third party tour-operators at their arrival) and general sales agency business.

#### Competitive Strengths

- Integrated provider of travel & forex related services
- Leadership & highly differentiated presence in forex market
- Established institutional customer base
- Strong domestic retail presence & growing overseas presence
- Strong brand equity
- Highly qualified and motivated employee base and proven management team
- High integrity and transparency levels
- Customer focus
- Strong information technology infrastructure set-up
- Strategic Alliances / Tie Ups

For more details please refer to section titled “Business Overview” beginning on page 57 of this Letter of Offer.

### Factors Affecting our Financial Results

Our business is subject to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page viii of this Letter of Offer. Some of the important factors that have affected and we expect will continue to affect our results of operations, financial condition and cash flows are discussed in this section:-

#### Growth in Tourism

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

#### Demand

The demand for our services depends upon, among others, the overall economic growth and government initiative in promoting tourism. The last few years has seen a steady growth in the tourism sector in India. The government has taken initiative in promoting India as a tourist destination.

#### Competition

Travel and forex services business in India is highly fragmented with presence of many regional, local and unorganized sector players. There is no single player of comparable size who can offer a wide range of services as offered by our Company. However, there are different players that compete with us in various market segments.

With our vast experience and capabilities to retain our customers due to our personalized services and competitive prices, and providing complete holiday solutions under a single roof, we are confident of facing competition.

#### Other Factors

Our Company is in the tourism business, where there is direct interaction with the end user. Our business requires us to provide personalized services to each individual client. The client’s need depends on various factors such as their age group, the socio-economic condition of their respective country, their religion, their interest, their profession etc.

#### Summary of Results of operations (Standalone):

(Rs. In Lacs)

Particulars	For the period / year ended				
	June 30, 2008 (6 Months)	December 31, 2007 (12 Months)	December 31, 2006 (14 Months)	October 31, 2005 (12 Months)	October 31, 2004 (12 Months)
<b>Income</b>					
Turnover	13,172.25	21,488.99	19,647.78	12,178.50	12,477.52
Other Income	228.12	990.87	2,113.63	859.80	667.05
<b>Total</b>	<b>13,400.37</b>	<b>22,479.86</b>	<b>21,761.41</b>	<b>13,038.30</b>	<b>13,144.57</b>
<b>Expenditure</b>					
Personnel Cost	4,112.05	6,567.69	6,186.54	3,176.12	3,069.00
Advertisement and Business Promotion	744.04	1,667.72	1,372.89	812.41	836.08
Other Expenses	3,690.61	6,764.39	6,460.65	4,185.09	4,324.04

Interest	1,483.40	2,799.03	572.71	63.00	59.52
Depreciation	423.17	785.57	1,101.08	650.05	552.57
<b>Total</b>	<b>10,453.27</b>	<b>18,584.40</b>	<b>15,693.87</b>	<b>8,886.67</b>	<b>8,841.21</b>
Profit before Taxation and Exceptional items	2,947.10	3,895.46	6,067.54	4,151.63	4,303.36
Provision for Taxation					
Current Tax	1,065.00	1,465.78	1,864.13	1,400.00	1,470.00
Fringe Benefit Tax	69.00	118.61	140.50	43.39	-
Deferred Tax	(51.68)	(249.19)	(1.51)	22.12	71.46
Profit after Taxation and before Exceptional item	1,864.78	2,560.26	4,064.42	2,686.12	2,761.90
Exceptional item, net of taxation	-	-	183.54	-	-
<b>Net profit</b>	<b>1,864.78</b>	<b>2,560.26</b>	<b>3,880.88</b>	<b>2,686.12</b>	<b>2,761.90</b>

### Turnover

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

Commission on tickets and service charges from customers are recognized on issue of tickets. Incentives from airlines are accounted on the basis of tickets issued to sectors travelled. Revenue on foreign exchange transactions is recognized at the time of sale and purchase. Revenue on holiday packages is recognized 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 recognized on the effective commencement of policies. Credit card product sales are recognized on delivery of the card to the customers.

### Other income

Other income includes interest on deposits with banks, income-tax refund and others. The revenue from other income is accounted on accrual basis.

### Personnel Cost

Personnel Cost includes (i) salaries, wages and bonus including cost on account of discounting charges on Employee Stock Options. (ii) Contribution to provident and other funds (iii) Premium on / provision for gratuity-cum-life assurance policy (iv) staff welfare expenses (v) staff training, retirement and other costs (vi) incentive / commission to staff and directors.

### Other expenses

Other expenses includes rent, rates & taxes, insurance, repair and maintenance, electricity, printing and stationary, postage, legal and professional charges, auditors remuneration, bank charged, license fees, traveling and conveyance, brokerage and incentives, bad debt, provision for doubtful debts, miscellaneous expenses etc.



## Depreciation

Depreciation on fixed assets is provided at the rates specified in schedule XIV of the Companies Act, 1956 or the rates determined based on the useful lives of the assets as estimated by the management, whichever is higher. Depreciation is provided on straight line method.

## Interest

Interest includes interest on short term loans from banks, bank overdrafts and others.

### Material events after December 31, 2007:

- As per the scheme of amalgamation, 10,32,84,000 Class A 4.65% Cumulative Non – Convertible Redeemable Preference Shares of Rs. 10/- each amounting to Rs. 10,328 lacs were redeemed on February 1, 2008 by a fresh issue of 10,50,00,000 1% Cumulative Non-Convertible Redeemable Preference Shares of Rs. 10/- each amounting to Rs. 10,500 lacs
- TCUK by way of a SPA with DFL dated March 7, 2008, purchased for cash 100% of the fully paid-up equity share capital of TCIM and acquired indirect control in our Company, subject to the fulfillment, inter alia, of certain conditions in the SPA. Subsequently, TCUK made an open offer on March 8, 2008 under SEBI Takeover Regulations and acquired 3,06,71,365 equity shares representing 19.14% of the then outstanding equity share capital of our Company. Our Company is now a part of Thomas Cook Group. For further details please refer to page 142 of this Letter of Offer

### ***Comparison of Performance and Analysis of Developments for the financial year ended December 31, 2007 vis-à-vis 14 month period ended December 31, 2006 on standalone basis.***

The results for the year ended December 31, 2007 are not directly comparable with the 14 months period ended December 31, 2006 because the results for the 14 months period ended December 31, 2006 include financials of LKP Forex Limited which has been merged with the Company with effect from April 1, 2006

### Material events during the financial year ended December 31, 2007:

- LKP Forex merged with our Company effective April 1, 2006, in a share swap deal, pursuant to the Bombay High Court Order dated January 12, 2007
- Sub-division of the equity shares - the face value has reduced to Re. 1/- from Rs. 10/- on May 21, 2007 pursuant to the resolution passed by the shareholders by way of Postal Ballot on April 28, 2007
- Thomas Cook Travel and Foreign Exchange (Singapore) Pte. Limited was struck off the register on May 06, 2007
- Thomas Cook Travel (Thailand) Limited, one of the step down subsidiaries of our Company has been liquidated on July 24, 2007
- Entered into a Sales Agent Agreement dated July 10, 2008 with JTB Western Japan Corp whereby our Company has been appointed as authorized agent on non-exclusive basis for JTB Sunrise Tour. The said Agreement is valid till March 31, 2009.

## Income

### a. Turnover

Total income of our Company comprises of two elements: Turnover and other income. Turnover increased by 9.37% from Rs. 19,647.78 Lacs for fourteen months period ended December 31, 2006 to Rs. 21,488.99 lacs for the year ended December 31, 2007. The growth was primarily on account of growth in both forex and travel businesses on account of full year impact of the merger of LKP Forex Limited and acquisition of TCI

The break up of total income is depicted in the table below:

	For the period / year ended	
	December 31, 2007 (12 Months)	December 31, 2006 (14 Months)
Turnover	21,488.99	19,647.78

Rs. in Lacs

Other Income	990.87	2,113.63
Total Income	<b>22,479.86</b>	<b>21,761.41</b>

#### b. Other Income

Other Income has decreased by 53.12% from Rs. 2,113.63 lacs for fourteen months period ended December 31, 2006 to Rs. 990.87 lacs for the year ended December 31, 2007. During 2006, there was an extra ordinary other income mainly on account of profit on sale of equity stake in one of our subsidiaries, Hindustan Cargo Limited (with effect from close of business hours of December 31, 2006, HCL ceased to be our subsidiary) and profit on sale of certain Fixed Assets.

#### Expenditure

#### c. Advertisement and Business Promotion Expenses

Advertisement and Business Promotion Expenses increased by 21.48% from Rs. 1,372.89 lacs for fourteen months period ended December 31, 2006 to Rs. 1,667.72 lacs for the year ended December 31, 2007, primarily because of brand building exercise for our newly launched brand 100% Holidays in October 2006 and also on re-branding of all erstwhile LKP office to Thomas Cook office.

#### d. Personnel Cost

Personnel Cost increased by 6.16% from Rs. 6,186.54 lacs for fourteen months period ended December 31, 2006 to Rs. 6,567.69 lacs for the year ended December 31, 2007, primarily because of increase in salaries, and increase in manpower to sustain increased size of operation.

#### Depreciation

Depreciation has reduced by 28.65% from Rs. 1,101.08 lacs for fourteen months period ended December 31, 2006 to Rs. 785.57 lacs for the year ended December 31, 2007 due to sale of certain fixed assets.

#### e. Net Profit after Tax

Our Company's net profit reduced from Rs. 3,880.88 lacs for fourteen months period ended December 31, 2006 to Rs. 2,560.26 lacs for the year ended December 31, 2007 mainly on account of increased borrowing costs post merger/acquisition of LKP Forex & TCI and tax impact amounting to Rs. 747.78 lacs on account of non compete fees of Rs.2,200 lacs paid during the financial year ended December 31, 2007 being treated as a disallowable expenditure for the purpose of computing the provision for current tax in the restated financial statements.

#### ***Comparison of Performance and Analysis of Developments for the 14 month period ended December 31, 2006 vis-à-vis financial year ended October 31, 2005 on standalone basis.***

The results for the 14 months period ended December 31, 2006 are not directly comparable with the financial year ended October 31, 2005 because (i) the prior period consisted of 12 months and (ii) the results for the 14 months period ended December 31, 2006 include financials of LKP Forex Limited which has been merged with the Company w.e.f April 1, 2006.

#### **Material events during the fourteen months period ended December 31, 2006:**

- Our Company acquired 100% equity stake of TCI
- Our Company divested 100% equity stake in HCL in favour of ACGL in an all cash deal
- Entered into MOU with LKPMF to acquire and merge LKP Forex with TCIL
- Our Company launched its Premium Outbound holidays brand - "100% Holidays"
- Our Company in collaboration with ICICI Bank launched the "Thomas Cook Titanium Mastercard"
- Severance payment made to Mr. Ashwini Kakkar, erstwhile Managing Director
- Change in management control whereby DFL acquired management control of our Company



- Subsequently, our Company and TCUK entered into a Trademark License Agreement dated March 29, 2006. For further details please refer to page 74 of this Letter of Offer.

## Income

### a. Turnover

Total income of our Company comprises of two elements: Turnover and other income. Turnover increased by 61.33% from Rs. 12,178.50 Lacs for the year ended October 31, 2005 to Rs. 19,647.78 lacs for fourteen months period ended December 31, 2006. The growth was primarily on account of inorganic growth where the results of LKP Forex were merged with the company with effect from April 1, 2006. On the organic side the increase was due to growth across all the segments of business that we operate in. The break up of total income is depicted in the table below:

Rs. in Lacs.

	For the period / year ended	
	December 31, 2006 (14 Months)	October 31, 2005 (12 Months)
Turnover	19,647.78	12,178.50
Other Income	2,113.63	859.80
Total Income	<b>21,761.41</b>	<b>13,038.30</b>

### b. Other Income

Other Income increased by 145.83% from Rs. 859.80 lacs for the year ended October 31, 2005 to Rs. 2,113.63 lacs for fourteen months period ended December 31, 2006, mainly on account of profit on sale of equity stake in one of our subsidiaries, Hindustan Cargo Limited (w.e.f. close of business hours of December 31, 2006, HCL ceased to be our subsidiary) and profit on sale of certain Fixed Assets.

## Expenditure

### c. Advertisement and Business Promotion Expenses

Advertisement and Business Promotion Expenses increased by 68.99% from Rs. 812.41 lacs for the year ended October 31, 2005 to Rs. 1372.89 lacs for fourteen months period ended December 31, 2006, primarily because of launch and promotion of our new Brand 100% Holidays.

### d. Personnel Cost

Personnel Cost increased by 94.78% from Rs. 3,176.12 lacs for the year ended October 31, 2005 to Rs. 6,186.54 lacs for fourteen months period ended December 31, 2006, primarily because of increase in salaries, and increase in manpower to sustain increased size of operation and also addition of LKP staff.

### e. Depreciation

Depreciation increased by 69.38% from Rs. 650.05 lacs for the year ended October 31, 2005 to Rs. 1,101.08 lacs for fourteen months period ended December 31, 2006 due to merger of LKP Forex with our Company.

### f. Net Profit after Tax

Our Company's net profit increased from Rs. 2,686.12 lacs for the year ended October 31, 2005 to Rs. 3,880.88 lacs for fourteen months period ended December 31, 2006. Profit for fourteen months period ended December 31, 2006 is higher by 44.48% as compared to the year ended October 31, 2005 due to merger of LKP Forex with our Company and increase in business size and improvement in margins.



**Reasons for sudden jump in liabilities / current liabilities, sundry debtors from the year 2005 to 2006:**

LKP Forex has been merged with TCIL with effect from April 1, 2006 and TCI was acquired by TCIL on December 28, 2006. The jump in the liabilities / current liabilities and sundry debtors from 2005 to 2006 is mainly on account of consolidation of balance sheets of these entities post merger / acquisition.

**Comparison of Performance and Analysis of Developments for the financial year ended October 31, 2005 vis-à-vis financial year ended October 31, 2004 on standalone basis**

There were no material events during financial year ended October 31, 2005.

**Income**

**a. Turnover**

Total income of our Company comprises of two elements: Turnover and other income. Turnover decreased by 2.40% from Rs. 12,477.52 lacs for the year ended October 31, 2004 to Rs. 12178.50 lacs for the year ended October 31, 2005. The marginal decline was primarily on account of Tsunami which impacted the operations in Sri Lanka & South India affecting the tourism industry in India in general, lower rates of interest on NRI deposits (affecting foreign exchange business), lowering of commission on international airlines and travel advisories issued by many countries in response to the natural disasters.

The break up of total income is depicted in the table below:

	Rs. in Lacs	
	<b>For the period / year ended</b>	
	<b>October 31, 2005 (12 Months)</b>	<b>October 31, 2004 (12 Months)</b>
Turnover	12,178.50	12,477.52
Other Income	859.80	667.05
<b>Total Income</b>	<b>13,038.30</b>	<b>13,144.57</b>

**b. Other Income**

Other Income increased by 28.90% from Rs. 667.05 lacs for the year ended October 31, 2004 to Rs. 859.80 lacs for the year ended October 31, 2005, primarily due to profit on sale of investments and receipt of insurance claim of prior years.

**Expenditure**

**c. Advertisement and Business Promotion Expenses**

Advertisement and Business Promotion Expenses decreased by 2.83% from Rs. 836.08 lacs for the year ended October 31, 2004 to Rs. 812.41 lacs for the year ended October 31, 2005

**d. Personnel Cost**

Personnel cost increased by 3.49% from Rs. 3,069.00 lacs for the year ended October 31, 2004 to Rs. 3,176.12 lacs for the year ended October 31, 2005, primarily on account of normal increments in the salaries.

**e. Depreciation**

Depreciation increased by 17.64% from Rs. 552.57 lacs for the year ended October 31, 2004 to Rs. 650.05 lacs for the year ended October 31, 2005 in the normal course of business.

**f. Net Profit after Tax**

Our Company's net profit decreased from Rs. 2,761.90 lacs for the year ended October 31, 2004 to Rs. 2,686.12 lacs for the year ended October 31, 2005. The operations during the year were affected by lower turnover and lowering of commission on international airlines, which impacted travel related businesses.



## **Material Developments after June 30, 2008**

Our directors hereby state that in their opinion there is no material development after the date of the last financial statements disclosed in this Letter of Offer which is likely to materially and adversely affect or is likely to affect the trading or profitability of our Company or the value of our assets, or our ability to pay our liabilities within the next twelve months.

### **Information required as per clause 6.10.5.5 (a) of the SEBI (DIP) Guidelines**

#### ***Unusual or infrequent events or transactions:***

There have been no unusual or infrequent transactions that have taken place during the last three years except as detailed in the preceding paragraph and as described in the section titled "Business Overview" beginning on page 57 and "Management Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page 218 in this Letter of Offer

#### ***Significant economic changes that materially affected or are likely to affect income from continuing operations:***

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except, as detailed in the preceding paragraph and as described in the section titled "Risk Factors" beginning on page 57 and "Management Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page 218 in this Letter of Offer.

#### ***Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations***

There are no known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations except, as described in the section titled "Risk Factors" on page 57 and in "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 218 in this Letter of Offer, to Company's knowledge.

#### ***The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices:***

Changes in revenues during the last 3 years are as explained in the "Management Discussion and Analysis of Financial Conditions and Results of Operations" under the paragraph "Comparison of Performance and Analysis of Developments for the year ended December 31, 2007 vis-à-vis fourteen months period ended December 31, 2006", "Comparison of Performance and Analysis of Developments fourteen months period ended December 31, 2006 vis-à-vis financial year ended October 31, 2005" and "Comparison of Performance and Analysis of Developments for the financial year ended October 31, 2005 vis-à-vis financial year ended October 31, 2004" under sub paragraph "Income from Operations".

#### ***Future relationship between costs and revenues***

Other than as described in the section titled "Risk Factors" and "Managements Discussion and Analysis of Financial Conditions and Results of Operation" in this Letter of Offer, to our knowledge there are no future relationship between cost and income that have had or expected to have a material adverse impact on our operations and finances.

#### ***Total turnover of each major Industry segment in which we operate***

Our Company derives its revenues from foreign exchange & financial services and travel & related services. For more information on Industry please refer to "Industry Overview" Section page 47 of this Letter of Offer.

#### ***Status of any publicly announced new products or business segment***

Our Company has not announced any new products or business segment except for:



- Launch of “Thomas Cook Titanium Mastercard” in 2005 – 06
- Pre-loaded foreign exchange cards in association with Axis Bank in 2008
- Distribution of life insurance products of, Bajaj Alliance Life Insurance in 2008

***The extent to which business is seasonal***

The business model of our Company is seasonal in nature, wherein during parts of the year (March to July and October to December) the level of activity is generally higher than during other parts of the year.

***Any significant dependence on a single or few suppliers or customers***

We are not dependent on any single or few suppliers or customers.

***Competitive conditions***

The industry in which our Company operates is highly fragmented in nature with very few organized players. Hence reliable/verifiable data for a comprehensive analysis of the competitive scenario is not available.

**WORKING RESULTS**

**Information as required by Government of India, Ministry of Finance Circular No. F2/5/SE/76 dated February 5, 1977 as amended vide Circular of even number dated March 8, 1977 is given below:**

1. Standalone Unaudited Financial Results for five month’s period ended November 30, 2008

Particulars	Amount (Rs. in Lacs)
Net Sales	10,543.90
Other Income	244.80
Total Income	10,788.70
Expenditure	7,472.10
Operating Profit	3,706.50
Interest	1,278.20
Depreciation	389.90
Profit before Tax	2,038.40
Provision for Tax	759.70
Profit after Tax	1,278.70

2. There are no material changes and commitments, which are likely to affect the financial position of our Company after June 30, 2008 (i.e. the last date up to which audited information is incorporated in this Letter of Offer) except as mentioned on page 225 of this Letter of Offer
3. Week end prices of Equity Shares of our Company for the last four weeks on BSE and NSE along with the highest and lowest price are as below:

Week ended on	BSE			NSE		
	Closing Price	Highest Price	Lowest Price	Closing Price	Highest Price	Lowest Price
November 28, 2008	42.90	44.45	42.00	42.55	43.90	40.45
December 5, 2008	41.70	42.85	41.30	41.60	42.70	41.00
December 12, 2008	43.60	44.70	42.00	43.95	45.00	41.50
December 19, 2008	48.85	50.00	47.40	49.05	49.95	47.20

Note: High/Low prices based on closing quotations of BSE & NSE (Source: www.bseindia.com and www.nseindia.com)

Closing ex-rights market price of Equity Shares of face value of Re.1/- of our Company as on December 19, 2008 on BSE was Rs. 48.85.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS, DEFAULTS & MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our subsidiaries, our Promoters, our Promoter Group companies and Group Companies that would have a material adverse effect on our Company's business other than unclaimed liabilities of our Company or its Directors or its Promoters and Group Companies and there are no defaults, non-payment or overdue of statutory dues, institutional / bank dues and dues payable to holders of any debentures, bonds and fixed deposits and arrears of preference shares of our Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (l) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company that would have a material adverse effect on our Company's business. Further, our Company, our subsidiaries, our Company's Directors or our Promoters or Group Companies have not been declared as willful defaulter by RBI, have not been debarred from dealing in securities and / or accessing the capital markets by SEBI and no disciplinary action has been taken against them by SEBI or any stock exchanges. Our Company has not made any provision for the liabilities that may arise due to litigation by / against the company. The disputed liabilities have been disclosed under the contingent liabilities.

#### **Commitments and Contingent Liabilities of our Company as on June 30, 2008:**

The contingent liabilities of our Company (on a Consolidated Basis) as on June 30, 2008, as certified by the Statutory Auditors, are as follows:

Sr. No.	Nature of Liability	Amount (Rs. In Lacs)
1	Claims against the company not acknowledged as debts - Demand from Bombay Electricity Supply and Transport (BEST) for Electricity	19.61
2	Claims against the company not acknowledged as debts - Disputed Demand from DGFT, Mumbai under EPCG Licence	137.89
	- Various Miscellaneous Claims	1.75
3	Disputed Income-tax Demands	2,019.05
4	Disputed Service tax Demands	923.26
5	Disputed Demand for increase in rent raised by Brihanmumbai Municipal Corporation	330.77
	<b>Total</b>	<b>3,432.33</b>

#### **Guarantees given by our Company as on June 30, 2008:**

Our Company has given a corporate guarantee of USD 1,500,000 (Rs.704.10 Lacs) to HSBC Bank Ltd towards provision of facilities to Thomas Cook (Mauritius) Operations Company Limited. Our Company has given some counter guarantees to HSBC Bank Ltd to enable them to issue bank guarantees to our Company's SriLanka branch. The details are given below:

Sr. No.	Corporate guarantee no.	Amount (Rs. in Lacs)	Amount (LKR)
1	FNGBOM061146	47.42	11,000,000
2	FNGBOM070514	12.01	2,785,783
3	FNGBOM70515	34.58	8,021,944
	<b>Total</b>	<b>94.00</b>	<b>21,807,727</b>

## ***Outstanding Litigations involving our Company***

### ***Criminal Proceedings initiated against our Company***

1. Mr. Naresh Agarwal (“Complainant”) had filed a Criminal Complaint bearing Miscellaneous Petition No. 216 of 2007 against our Company and Suman Bhattacharya and Shamik Pal (“Employees”) before the Court of Chief Judicial Magistrate, Purulia. The Complainant had booked the package tour named “Best of Europe with Dubai” for himself and his family. The Complainant had paid in advance Rs. 1.0 Lacs towards confirm booking for the tour package. The Complainant failed to furnish relevant documents for processing of Visas to our company and therefore our company was unable to obtain the necessary visa. The Complainant alleged our Company has taken illegal amount as the said amount had not been returned to the Complainant. The Complainant had alleged that our Company had fraudulently cheated complainant and forfeited the advance Rs.1.0 Lacs towards cancellation charges as per terms and conditions of our Company. The Complainant had filed a complaint under Sections 420, 416, 403 and 34 of the Indian Penal code against our Company and Employees. Thereafter, employees filed an application under Section 438 of the Code of Criminal Procedure in a matter of Apprehension of arrest of the employees in connection with G.R. Case No. 59 of 2008 arising out of Jhalda Police Station bearing Case No.04 of 2008. The said application bearing C.R.M. No. 4013 of 2008 is filed in the High Court of Calcutta for grant of anticipatory bail and same was allowed. The Miscellaneous Petition No. 216 of 2007 is presently pending before the Court of Chief Judicial Magistrate, Purulia.

### ***Criminal Proceedings initiated by our Company***

1. Our company has filed a Criminal Complaint against World Wide Pharma Limited (“Accused”) bearing no. 133 of 1998 before the Metropolitan Magistrate Court at Hyderabad. The Accused had issued a cheque to our Company for an amount of Rs.0.98 Lacs which was dishonoured. The Complaint is presently pending before the Metropolitan Magistrate Court at Hyderabad.
2. Our company has filed a Criminal Complaint against K Sreenivas Reddy (“Accused”) bearing no. 60 of 2002 before the Metropolitan Magistrate Court at Hyderabad. The Accused had issued a cheque to our Company which was dishonoured. The Complaint is presently pending before the Metropolitan Magistrate Court at Hyderabad.
3. Our company has filed four Criminal Complaints against Xavier Kallu (“Accused”) bearing No.2972 to 2975 of 2006 before the Metropolitan Magistrate Court at Esplanade Bombay under Section 138 of the Negotiable Instrument Act for the value of Rs. 2.88 Lacs. The Accused had taken a package tour of our Company. The Accused in order to discharge his liability made a payment of Rs. 2.88 Lacs by issuing four different cheques which were not honored. Our company alleged that the Accused is liable for committing an offence under Section 138 of Negotiable Instrument Act for stopping the payment of the cheque and is liable to pay compensation to the Complainant under the provisions of Section 357 of Criminal Procedure Code. The Complaints are presently pending before the Metropolitan Magistrate Court at Esplanade Bombay.
4. Our company has filed a Criminal Complaint against Shrinivas Reddy (“Accused”) bearing No. 653 of 2006 before the Metropolitan Magistrate Court at Hyderabad. Our company has filed a Criminal Complaint under Section 200 of Criminal Procedure Code and under Section 138 and 142 of the Negotiable Instrument Act. The Accused intended to make a foreign trip for which the Accused had purchased USD 2,056 amounting to a consolidated sum of Rs. 0.97 Lacs. The Accused abandoned his trip because of which he returned the foreign currency and while returning the same our Company made an excess payment of Rs. 0.36 Lacs. The Accused issued a cheque to refund the excess payment made to him which was dishonoured. The Accused has illegally retained the excess amount paid by mistake and failed to remit the amount. The Complaint is presently pending before the Metropolitan Magistrate Court at Hyderabad.
5. Our company has filed a Criminal Complaint against Paul Merchants Ltd and others (“Accused”) bearing No. 2713 of 1999 before the Metropolitan Magistrate, Jaipur under Section 420 of Criminal Procedure Code and Section 138 of the Negotiable Instrument Act, 1881. Our company had issued the Accused 18,000 USD, 3,500 sterling pounds and 1,000 German Marks amounting to Rs. 9.53 Lacs. The Accused to discharge his liabilities issued two cheques of which the cheque of Rs.8.20 Lacs was dishonoured. The Complaint is presently pending before the Metropolitan Magistrate at Jaipur.

6. Our company has filed a Criminal Miscellaneous Petition against State of Andhra Pradesh, Hyderabad and others (“Accused”) bearing No. 1735 of 2003 before the Metropolitan Magistrate Court at Hyderabad under Section 451 read with Section 457 of Criminal Procedure Code. Our company alleged that the 900 USD currency notes were seized by the Accused from our Company. The present Complaint is thus filed by our Company for interim custody of USD 900. The Complaint is presently pending before the Metropolitan Magistrate Court at Hyderabad.
7. Our company has filed a Criminal Complaint against AIM Forex Pvt. Limited. & others (“Accused”) bearing No. 4498 of 2002 before the Special Metropolitan Magistrate at Bombay under Section 138 read with Section 141 of Negotiable Instrument Act, 1881. Accused had purchased Foreign Exchange from our Company worth Rs. 30.42 Lacs. Accused had issued six cheques for a sum of Rs. 30.42 Lacs which were dishonoured. Order in the above complaint was passed by Special Metropolitan Magistrate on June 7, 2005 directing the Accused to pay a fine of Rs. 15 Lacs and in default suffer imprisonment. An Appeal is filed against the order dated June 7, 2005 by the Accused bearing no. 279 of 2005 before the Court of Sessions at Bombay. The Appeal is presently pending before the Court of Sessions at Bombay. Appeal is dismissed for non-prosecution. The execution of the order will take place in due course.
8. Our company has filed a Criminal Complaint against M/s. Vee Yem Exporters (“Accused”) before the Additional Chief Judicial Magistrate Court at Ernakulam under sections 138 and 142 of the Negotiable Instrument Act for the value of Rs.9.40 Lacs. Accused had purchased foreign exchange worth Rs. 9.40 Lacs from LKP Forex Ltd, which is now merged into our Company. Accused issued a cheque for the said Foreign Exchange of Rs. 9.40 Lacs in favour of our Company which was dishonoured hence the complaint. The complaint is presently pending before the Additional Chief Judicial Magistrate Court at Ernakulam.
9. Our company has filed a Criminal Complaint against Mr. Dheeraj Jagdish Sangam (“Accused”) before the Addl. Chief Metropolitan Magistrate Court at Esplanade Bombay under Section 138 of the Negotiable Instrument Act for the value of Rs. 0.30 Lacs. The Accused had enrolled for a Certificate Course in World Tour Management for 3 months of our Company. The fees for the said course were Rs. 0.49 Lacs payable at the time of Enrollment. Accused had paid Rs.0.20 Lacs by cash and issued post dated cheque for the amount of Rs.0.29 Lacs which was dishonoured. Our company alleged that the Accused is liable for committing an offence under Section 138 of Negotiable Instrument Act for stopping the payment of the cheque and is liable to pay compensation to the Complainant under the provisions of Section 357 of Criminal Procedure Code. The Complaints are presently pending before the Addl. Chief Metropolitan Magistrate Court at Esplanade Bombay.
10. Our company has filed a Criminal Complaint against Swift Realtors Pvt. Ltd and Another (“Accused”) before the Addl. Chief Metropolitan Magistrate Court at Patiala, New Delhi under Section 138 of the Negotiable Instrument Act for the value of Rs. 4.55 Lacs. Accused had purchased Foreign Exchange from our Company worth Rs. 4.55 Lacs. Accused had issued a cheque for the said foreign exchange a sum of Rs. 4.55 Lacs which was dishonoured. The complaint is presently pending before the Addl. Chief Metropolitan Magistrate Court at Patiala, New Delhi

#### ***FERA matters initiated against our Company***

1. Directorate of Enforcement (“ED”) had issued two Show Cause Notices no. II and III both dated April 4, 1995 to our Company. In respect of Show Cause Notice No. II dated April 4, 1995 it was alleged by ED that our Company and its employees had engaged in transactions not in conformity with the terms of its authorization as accorded by RBI. In respect of Show Cause Notice No. III it was alleged by ED that our Company had abetted with ANZ Grindlays Bank for crediting some amounts by contravening the provisions of Section 6 (4) and 6 (5) of FERA. The ED in Show Cause Notice No. II vide its order dated June 28, 1996 directed our Company to pay a penalty of Rs 10.00 Lacs and imposed a penalty of Rs. 4.00 Lacs on the two of our Company’s employees in view of violation of FERA and in Show Cause Notice No. III it was held that there was nothing on record to show that our Company and its employees had abetted ANZ Grindlays Bank in the transactions alleged and therefore the ED dropped the charges of abetment against our Company and its employees. Pending adjudication of both the Show Cause Notices, ED issued two Opportunity Notices No II and III both dated February 29, 1996 alleging the same allegation as in Show Cause Notices and further more stating that in the event of failure to reply to the above Notices, ED would initiate criminal proceeding against our Company. Aggrieved by the above notices our Company has filed a Writ Petition against ED bearing no. 825 of 1996 before the High Court at Bombay. The Hon’ble High Court vide its order date July 22, 1996

directed the ED not to commence Criminal proceedings against our Company and our employees till the final disposal of the Writ Petition. Our company has also filed an Appeal before FERA Appellate Board at New Delhi challenging ED's Order dated June 28, 1996 and the Board vide its order dated January 25, 1999 granted Stay to ED's order including payment of penalty of Rs. 14.00 Lacs. The Writ Petition filed before High Court, Bombay and the Appeal filed before FERA Appellate Board, New Delhi both are presently pending.

2. The Directorate of Enforcement ("ED") has issued Show Cause Notices No II and III both dated June 12, 1987 against our Company and its directors. ED has alleged unauthorized transfer of funds amounting to GBP 83,850 and USD 7,43,927 outside India through our Company. ED has further alleged that during period from August 1947 to October 1978 various remittances had been made without proper verification of passports and currency declaration forms of the purported remitters and also that remittances were not reported to the Reserve Bank of India. On June 7, 2004 our Company received a notice from Additional Commissioner of Income Tax (who has been given charge of disposing of old FERA matters). Our company has appeared and filed a detailed reply. The matter is presently pending for hearing.

### ***Civil Proceedings initiated against our Company***

1. Cox & Kings ("Plaintiffs") have filed a suit against our Company bearing No. 854 of 2004 in High Court Bombay claiming compensation/damages of Rs. 75 Crores. The Plaintiffs have alleged that our Company's advertisements titled "Ever wondered how tour operators pay for those free holidays. They don't. You do" published in January, 2001 amounted to defamation of Plaintiffs and its services. The Plaintiffs alleged that due to such misleading advertisements, Plaintiffs have suffered financial losses to the extent of Rs. 75 crores. The Suit is presently pending before the High Court at Bombay.
2. Beach Ark Hotels Pvt. Limited ("Plaintiff") has filed a Suit against our Company and J. M. C. Holidays Ltd ("Defendant no 1 & 2 respectively") bearing No. 101 of 2003 in the Court of Civil Judge, Senior Division, Margao. The Plaintiff has alleged that the Plaintiff, the Defendant No. 2 and Travel Corporation (India) Limited had entered into a Tripartite Agreement ("Agreement") dated December 13, 2000. Consequently it was agreed between the Plaintiffs, the Defendant No. 2 and Travel Corporation (India) Limited that our Company would be replaced in the said Agreement in place of Travel Corporation (India) Limited. The Plaintiff in the above mentioned Suit has been claiming for payment of deficit amount of Rs. 218.10 Lacs along with interest of 10%. Our company had preferred an Application ("the said Application") before Ld. Civil Judge Senior Division Margao under Section 8 of the Arbitration Act, 1996 to refer the parties to the Arbitration. By the order dated January 31, 2007 the Ld. Civil Judge has rejected the said Application. Our company has now preferred a Revision Petition under Section 115 of Civil Procedure Code against the order dated January 31, 2007 passed in the Miscellaneous Application under Section 8 of the Arbitration Act 1996 to refer the parties to the Arbitration in Civil Suit No. 101 of 2003. The application for appointment of Arbitrator under Section 11 of the Arbitration Act, 1996 made by our Company is pending before the High Court of Bombay, Panaji Bench. The Suit is presently pending in the Civil Court, Senior Division of Margao is stayed pursuant to the order dated March 31, 2008 passed by the Hon'ble Supreme Court.

In the suit filed by Beach Ark Hotel in the Court of Civil Judge Senior Division at Margao, Goa, our Company had made an Application before the Trial court to stay the Trial proceedings till the appointment of an Arbitrator and the same was rejected by the Trial court.

Pursuant to which our Company filed a Civil Revision Application (CRA) against the Order of the Trial court before the Goa High Court. The Court passed an Order for stay of Civil Suit filed by Beach Ark Hotel - the proceedings in the Trial Court were stayed against our Company since the issues would be decided by Arbitrator and the Civil suit will continue against JMC Holidays. In view of the same the CRA was dismissed.

### **Application filed in the High Court of Goa at Panaji by our Company against Beach Ark Hotel:**

Our Company had invoked the Arbitration Clause as per the Agreement entered into between our Company & Beach Ark Hotel and had filed an Application in High Court of Goa for appointment of Arbitrator to resolve the dispute between the parties and accordingly Mr. Justice G. D. Kamat (Retired) has been appointed as an Arbitrator.



### Appeal by Beach Ark Resort against the appointment of Arbitrator by Beach Ark Hotel

Beach Ark Resort has filed an Appeal in Supreme Court of India against the Order of the High Court of Goa (for appointment of Arbitrator) wherein the Court passed interim relief by issuing notice to our Company and stayed the Arbitration proceedings.

### Appeal by our Company

Our Company has filed an Appeal in the Supreme Court against the Order of Civil Revision Application. The Order stated that since the suit was stayed and not proceeded, in view of stay order passed by the High Court the position is same till date. In view of the same the suit is expedited.

Both the Appeals are clubbed together and are pending in the Supreme Court.

3. Cox & Kings (India) Private Limited (“Plaintiff”) has filed suit against Bharat Petroleum Corporation Limited and our Company (“Defendants”) bearing no. 3345 of 2006 in the High Court at Bombay. Plaintiff has pleaded that they coined brand “*Duniya Dekho*” (“impugned mark”) in year 1998 and have registered the said trade mark in some Trademark classes. The Plaintiff has alleged that our Company has introduced a lottery/ lucky draw on Petro Card scheme as Duniya Dekho directly in relation to travel and tourism with same business, services, tours and products as that of the Plaintiff. The Plaintiff has claimed a compensation for a sum of Rs.7.50 Lacs for the damages suffered and has claimed for restraining defendants directly or indirectly from using the impugned mark. The order (“impugned order”) dated October 20, 2006 was passed by the Hon’ble High Court at Bombay wherein no ad-interim relief was granted in favour of the Plaintiff. Aggrieved by the above order, the Plaintiff filed an Appeal bearing no. 864 of 2006 against the impugned order. The Hon’ble High Court dismissed the Appeal filed by the Plaintiff by an order dated December 4, 2006. The Plaintiff has filed a Chamber Summons bearing no. 1253 of 2008 for amending the original plaint. The Suit and the Chamber Summons are presently pending before the High Court at Bombay.
4. C.D.S. Money Exchange Bureau Pvt. Limited. (“Plaintiff”) has filed a Suit against our Company and Others (“Defendants”) bearing no. 788 of 2002 in the High Court at Delhi. The Plaintiff had entered into “Agency Arrangement” with our Company and Others on June 27, 1998 and April 30, 1999 and also had furnished an Indemnity Bond and three Bank Guarantees to our Company. Our company has alleged that the Plaintiff had illegally issued fake Travellers Cheque amounting to USD 32000 to one Mrs. Kamlesh Kumari. To recover the said amount from the Plaintiff, our Company tried to encash the Bank Guarantees, against which the Plaintiff filed the present suit. By an order dated April 8, 2002 the Plaintiff secured temporary injunction against invocation of the Bank Guarantees. Subsequently our Company had filed an application to vacate the above order passed by the Hon’ble Court and have been successful in vacating the order passed by the Hon’ble Court by a subsequent order dated March 6, 2007. The Suit is presently pending before the Hon’ble High Court at Delhi.
5. Sartaj Kaur widow of Late Bayant Singh (“Plaintiff”) has filed a Suit against (1) Union of India (thru Ministry of Civil Aviation) (2) Director General of Civil Aviation (3) Director of Air Safety (4) Airport Authority of India (5) Thomas Cook (India) Ltd. (6) Europe Assistance (7) Aerial Services Pvt. Ltd. (8) New India Assurance Company (“Defendants”) bearing no. 2190 of 2003 in the High Court at Delhi. The Plaintiff’s husband was part of an emergency medical evacuation team which was on the way to Kulu Manali to provide medical facility to one of the injured passenger, a Belgium National who was on tour. The aircraft carrying the team of five including two crew members, doctor, an employee of our Company along with Bayant Singh crashed killing all onboard members. The Plaintiff is claiming damages from the Defendants amounting to Rs. 120 Lacs. The Suit is presently pending before the Hon’ble High Court at Delhi.
6. Sonia Malik widow of Late Dr. Sushil Malik (“Plaintiff”) has filed a Suit against (1) Union of India (thru Ministry of Civil Aviation) (2) Director General of Civil Aviation (3) Director of Air Safety (4) Airport Authority of India (5) Thomas Cook (India) Ltd. (6) Europe Assistance (7) Aerial Services Pvt. Ltd. (8) New India Assurance Company (“Defendants”) bearing no. 2189 of 2003 in the High Court at Delhi. The Plaintiff’s husband was a part of an emergency medical evacuation team, who were on the way to Kulu Manali to provide medical facility to one of the injured passenger, a Belgium National who was on tour. The aircraft carrying the team of five including two crew members, pharmacist, an employee of our Company along with Sushil Malik crashed killing all onboard members. The Plaintiff is claiming damages from the Defendants amounting to Rs. 120 Lacs. The Suit is presently pending before Hon’ble the High Court at Delhi.



7. Mr. Ram Bulchandani Rahi (“Plaintiff”) has filed Summary Suit against our Company bearing No. 639 of 2005 before the Court of Small Causes at Ahmedabad. The Plaintiff had booked a tour and has claimed for liquidated sum of Rs. 9,000 along with 18% interest per annum. The Suit is presently pending before the Court of Small Causes at Ahmedabad.
8. Our company had received bill dated December 29, 2005 for a period from August 23, 2005 till October 24, 2005 raised by Electricity Department, Goa (“Department”), wherein the Department has claimed an approximate amount of Rs. 8.26 Lacs from our Company in relation to the recoverable arrears of the charges of electricity supply (including the amount charged as delayed payment charges @ 2% per month). The said bill was disputed by us. Our company had deposited an approximate amount of Rs. 4.27 Lacs “UNDER PROTEST”. Our company vide its letter dated March 24, 2006 addressed to the Chief Electrical Inspector, Goa has raised a dispute against the Electricity department where in it was alleged that the said amount of Rs. 8.26 Lacs which has been claimed by the Department is illegal. Our company thereafter received a letter dated March 28, 2006 from Chief Electrical Engineer where by they had demanded the balance payable sum of approximately Rs. 3.98 Lacs (including the amount charged as delayed payment charges @ 2% per month on the principal amount). The company was continuously following up the matter with the Electricity Department and had also written several letters to the Electricity Department to freeze the delayed payment charges. Our company requested the said department to waive off the delayed payment charges of Rs. 0.87 Lacs and requested them to issue a fresh bill for Rs. 3.99 Lacs. Accordingly the Electricity Department issued a fresh letter dated August 27, 2008 demanding payment of Rs. 3,98,613/- and on payment of which the waiver of delayed payment charges request could be forwarded to the higher authorities. Accordingly we have paid Rs. 3.99 Lacs and are awaiting revert from the Electricity Department on waiver of the delayed payment charges of Rs. 0.87 Lacs.
9. Our company had filed two Writ Petition bearing No. 1722 of 1998 and No. 1343 of 2000 against Bombay Municipal Corporation before the High Court at Bombay. Thomas Cook Building has been listed as “Heritage Building” under regulation no. 67 (Heritage Regulations for greater Bombay, 1995) of the Development Control Regulations for Greater Bombay, 1991. The building is categorised as “Grade II A” heritage building. Our company had filed the present petition to declare D. N. Road, where the heritage building is situated, as Non Hawking Zone. By the Judgement and Order dated July 5, 2000, the Hon’ble High Court declared D. N. Road as Non Hawking Zone. Aggrieved by the above order, the Maharashtra Ekta Hawkers Union has filed Special Leave Petition bearing no. 14240 and 14241 of 2000 before the Hon’ble Supreme Court. Our company has filed intervening applications bearing no. 10 and 11 of 2002 before the Hon’ble Supreme Court for impleading our Company as a party to the present Special Leave Petition. The matter is presently pending before Hon’ble Supreme Court.

#### ***Civil Proceedings initiated by our Company***

1. Our company has filed Suits against State Bank of Bikaner and Jaipur (“Defendant”) bearing No. 524/552 of 2001 and 525/553 of 2001 in the Small Causes Court at Bombay. The present suits were filed for eviction of the Defendant from basement and ground floor premises in respect of Thomas Cook Building situate at Dr. D. Naoroji Road, Mumbai - 400 001 (“Premises”) of our Company. Pursuant to the Order dated January 6, 2004, the Defendant handed over the possession of the said Premises on April 30, 2004. Accordingly, our Company had filed Miscellaneous Notice in the above suits claiming for mesne profits. The Hon’ble Small Causes Court vide its Order dated January 20, 2006 granted mesne profits to our Company in the sum of Rs. 148.11 Lacs along with an interest of 6% per annum for a period from September 20, 2001 till April 30, 2004. Aggrieved by the above order dated January 20, 2006, the Defendants filed Miscellaneous Notice to set aside the above mentioned order. The Hon’ble Small Causes Court by the order dated June 14, 2006, had set aside the order dated January 20, 2006 and imposed costs upon the Defendants. The Suits are presently pending for Evidence before the Small Causes Court at Bombay.
2. Our company has filed a Recovery Suit against the tenant Mr. B.C. Buhariwala and Others bearing No. 17/30 of 2006 in Small Causes Court at Bombay. The present suit is filed for recovery of possession of basement premises of Thomas Cook Building situated at Dr. D. Naoroji Road, Mumbai - 400 001. The Suit is presently pending for Issues before the Small Causes Court.
3. Our company has filed a Suit being R.A.E. Suit No. 1208/1948 of 2007 for eviction of tenant P. N. Mehta & Co in the Small Causes Court. The Tenant is occupying approx 1300 sq. ft on the third floor of Thomas Cook

Building, which is not only sparsely used by the Tenant but also sub-let by the Tenant. The Suit is filed on the basis of bonafide space requirement of our Company. The Suit is presently pending for filing Evidence.

4. Our company had filed a Summary Suit against Punjab National Bank (“Defendant”) bearing no. 13 of 2005 before the District Judge, Vadodara. The Summary Suit was filed by our Company for the recovery of 1500 USD equivalent to Rs. 0.72 Lacs. The Hon’ble Court ordered the Defendant to deposit Rs. 0.36 Lacs before February 26, 2006 and granted conditional leave to defend the suit. Aggrieved by the order, the Defendant filed an Appeal bearing no. 55 of 2006 before the District Judge Vadodara and had also applied for stay application of the Order passed by the lower court. The Stay Application was disposed off in our favour and the Appeal filed by the Defendant is presently pending. In the meanwhile the lower court has finally decided the suit and decree has been passed in our favour. The decree will be executed in due course.
5. Our company has filed a Writ Petition under Article 226 of the Constitution of India against Union of India and Others (“Respondents”) bearing No. 422 of 2007 in the High Court at Bombay. The present Writ Petition has been filed for waiver of increased Service Tax on rentals in respect of Money Exchange Counters set up at Chhatrapati Shivaji International Airport and to restrain Airport Authority of India (AAI) from encashing the Security Deposit and Bank Guarantee. The Hon’ble Court directed the Respondents not to take coercive steps to recover the service tax from the Petitioner until further order. In the meanwhile AAI has filed a Transfer Petition before the Hon’ble Supreme Court wherein all such similar Writ Petitions are transferred to Hon’ble Delhi High Court. The matter is pending before the Hon’ble High Court at Delhi.
6. Our company has filed in the Court of Subordinate Judge Manjeri, Kochi, Civil Suit No. 121 of 2007 against (1) AAI, New Delhi (2) Airport Director, Calicut Intl. Airport, Calicut. The suit is filed for allowing our Company for operating Foreign Exchange Counter at International Airport and declaring that our Company is entitled to allotment of space at departure and arrival area at International and domestic Terminal. The Suit is presently pending.
7. Our company has filed the Writ Petition No. 5148 of 2003 against IRCTC (Indian Railway Catering & Tourism Corporation Ltd) / Railways in the High Court at Delhi for declaring the decision of IRCTC / Railways to give retrospective effect to the new policy, as void and claiming refund of Rs. 53 Lacs. The Petition is presently pending before the Hon’ble High Court at Delhi.
8. Our company has filed a Company Petition against World Wide Pharma Limited (“Respondent”) bearing No. 126/133 of 1998 before the High Court at Andhra Pradesh. The present winding up petition is filed for recovery of dues amounting to Rs. 1.04 Lacs. By an order dated July 15, 1999 the Hon’ble High Court has passed an order winding up of the Respondent Company. The Official Liquidator has been appointed pursuant to the above order.
9. Our company has filed a Company Petition against Asia Pacific Exports Limited (“Respondent”) bearing No. 67 of 2000 before the High Court at Andhra Pradesh. The present winding up petition is filed for the recovery of dues amounting to Rs. 3.44 Lacs. By an order dated April 09, 2002 the Hon’ble High Court has passed an order winding up of the Respondent Company. The Official Liquidator has been appointed pursuant to the above order.
10. Our company has filed a Company Petition against Grand Atlantic Telecom Limited (“Respondent”) bearing No. 97 of 2003 before the High Court at Hyderabad. The present winding up petition is filed for the recovery of dues amounting to Rs. 1.39 Lacs. By an order dated February 4, 2004 the Hon’ble High Court has passed an order winding up of the Respondent Company. The Official Liquidator has been appointed pursuant to the above order.
11. Our company has filed a Company Petition against Comfortlife Appliance Limited (“Respondent”) bearing No. 86 of 1998 before the High Court at Hyderabad. The present winding up petition is filed for the recovery of dues amounting to Rs. 1.86 Lacs. By an order dated July 15, 1999 the Hon’ble High Court has passed an order winding up of the Respondent Company. The Official Liquidator has been appointed pursuant to the above order.

### **Consumer Matters filed against our Company**

1. Rakesh Kumar Jain (“Complainant”) has filed a Consumer Complaint against our Company bearing No. 317 of 2005 before the Consumer Dispute Redressal Forum at Agra. The Complainant had booked a tour and has alleged deficiency of service against our Company. The Complainant has claimed for compensation of Rs. 3.78 Lacs along with interest. The Complaint is presently pending before the Consumer Disputes Redressal Forum at Agra.
2. Bhanuprasad Amratlal Parikh and others (“Complainants”) have filed a Consumer Complaint against our Company and others bearing No. 48 of 2006 before the Consumer Dispute Redressal Forum at Surat, under Section 12 of Consumer Protection Act, 1986. The Complainants had booked a tour and have alleged unfair trade practices and deficiency of service against our Company. The Complainants have also claimed compensation for an amount of Rs. 0.43 Lacs. The Hon’ble Forum passed partial order directing our Company to pay Rs. 2,820 towards taxi charges alongwith interest, Rs. 0.10 Lacs towards compensation and Rs. 2,000 towards cost. The above order is challenged by filing an Appeal bearing No. CMA No. 1084 of 2008 and the Appeal is admitted on September 12, 2008 and the Order of the Forum is stayed on the Condition of the deposit of Rs. 7,500 to be paid within 6 weeks.
3. Pankaj Nakra and others (“Complainants”) have filed a Consumer Complaint against our Company bearing No. 573 of 2001 before the District Consumer Dispute Redressal Forum, New Delhi. The Complainants had booked a tour and have alleged that our Company is liable for mental and physical harassment. The Complainants have further alleged deficiency of services against our Company and have claimed compensation for an amount of Rs. 4.68 Lacs. The Complaint is pending for orders before the District Consumer Dispute Redressal Forum at New Delhi.
4. Ashok Kumar Gupta (“Complainant”) has filed a Consumer Complaint against our Company bearing No.142 of 2005 before the District Consumer Dispute Redressal Forum, New Delhi. The Complainant had booked a tour to Europe from our Company. The Complainant has alleged unfair trade practice, deficiency in service against our Company and has claimed compensation in the sum of Rs. 2.99 Lacs. The Complaint is pending for orders before the District Consumer Dispute Redressal, New Delhi.
5. V. V. Jain (“Complainant”) has filed a Consumer Complaint against our Company bearing No. 549 of 2006 before the District Consumer Dispute Redressal Forum, New Delhi. The Complainant had booked a tour and has alleged unsatisfactory and deficient services. The Complainant is claiming a refund amounting to approximately Rs. 4.30 Lacs. The Complaint is pending for orders before the District Consumer Dispute Redressal, New Delhi.
6. S.V. Iyer (“Complainant”) has filed a Consumer Complaint against our Company bearing No. SMF/MUM/25 of 2005 before Consumer Dispute Redressal Forum South Bombay District. The Complainant had booked a tour and has alleged unfair trade practice and deficiency in service. The Complainant has also claimed compensation of Rs.2.53 Lacs. The Complaint is pending before the District Consumer Redressal Forum, South Bombay.
7. Xavier Kallu (“Complainant”) has filed a Consumer Complaint against our Company bearing No. SMF/MUM/381 of 2006 before Consumer Dispute Redressal Forum South Bombay District. The Complainant had booked a tour and has alleged unfair trade practices and deficiency in service. The Complainant has also claimed compensation of Rs.5.00 Lacs. The Complaint is pending before the District Consumer Redressal Forum, South Bombay.
8. Dilip Jain and Others (“Complainants”) have filed a Consumer Complaint against Alitalia Air lines and has made our Company a formal party bearing No. 575 of 2005 before District Consumer Dispute Redressal Forum, Bombay Suburban District. The Complainants had booked tours and alleged that the airline had lost their baggage due to negligence and has further alleged deficiency in service by our Company. The Complainants have also claimed compensation for an amount of Rs. 2.50 Lacs as well as cost. The Complaint is dismissed for default. The complainant has filed restoration application. Matter is pending before the Forum for hearing on restoration application.
9. Subhashchandra Bansal and others (“Complainants”) have filed a Consumer Complaint against our Company bearing No. 761 of 2005 before District Consumer Redressal Forum, Jaipur. Complainants had booked a tour

with our Company. The Complainants are alleging unfair trade practice against our Company and have claimed compensation for an amount of Rs. 1.50 Lacs along with an interest of 18% per annum plus cost. The Complaint is pending before District Consumer Redressal Forum, Jaipur.

10. Krishna Kumar Saksena ("Complainant") has filed a Consumer Complaint against our Company bearing No. 80 of 2007 before District Consumer Redressal Forum, Jaipur. The Complainant had booked a tour with our Company. The Complainant has alleged unfair trade practice, deficiency of service against our Company and is claiming compensation for an amount of Rs. 7.21 Lacs. The Complaint is pending before District Consumer Redressal Forum, Jaipur.
11. V.K. Agarwal and others ("Complainants") have filed a Consumer Complaint against our Company bearing no.29 of 2005 before District Consumer Redressal Forum, Ghaziabad. The Complainants had booked a tour with our Company. The Complainants have alleged deficiency of services against our Company and have claimed a compensation for a total amount of Rs. 5.11 Lacs to all the Complainants and cost. The Complaint is pending before District Consumer Redressal Forum, Ghaziabad.
12. Santosh kumar Chakraborty and others ("Complainants") have filed Consumer Complaint against our Company bearing No. 344 of 2006 before District Consumer Dispute Redressal Forum, Kolkata. The Complainants had booked a tour through our Company. The Complainants have alleged deficiency of services against our Company and have claimed compensation for an amount of Rs. 2.17 Lacs. The Complaint is pending before District Consumer Dispute Redressal Forum, Kolkata.
13. Pushpa J. Shah ("Complainant") had filed a Consumer Complaint against our Company bearing No. 120 of 2006 before Maharashtra State Commission for Consumer Redressal at Bombay. The Complainant had booked tour wherein Hyfler Balloon Accident took place. The Complainant has alleged deficiency in service and negligence against our Company and also claimed compensation for an amount of Rs. 51.92 Lacs. The State Commission by its order dated June 7, 2007 directed the Complainant to file a fresh Complaint before the District Forum. As per the above order, the Complainant filed a Complaint bearing no. 274 of 2007 before the District Consumer Dispute Redressal Forum, South Mumbai for a claim of Rs. 19.99 Lacs. The Complaint is pending before the District Consumer Dispute Redressal Forum, South Mumbai.
14. Jayantilal Shah ("Complainant") has filed a Consumer Complaint against our Company bearing No. 121 of 2006 before Maharashtra State Commission for Consumer Redressal at Bombay. The Complainant had booked tour wherein Hyfler Balloon Accident took place. The Complainant has alleged deficiency in service and negligence against our Company and has claimed compensation for an amount of Rs. 76.98 Lacs. The State Commission by its order dated June 7, 2007 directed the Complainant to file a fresh Complaint before the District Forum. As per the above order, the Complainant filed a Complaint bearing no. 275 of 2007 before the District Consumer Dispute Redressal Forum, South Mumbai for a claim of Rs. 19.99 Lacs. The Complaint is pending before the District Consumer Dispute Redressal Forum, South Mumbai.
15. Mr. Kunal Khetan and others ("Complainants") had filed Consumer Complaint against our Company bearing No. 130 of 2008 before the District Consumer Redressal Forum, at South Mumbai. The Complainant had booked a tour package to Europe. The Complainant has alleged inconvenience caused to them and has claimed compensation for an amount of Rs. 0.50 Lacs. The Complaint is pending before the District Consumers Redressal Forum at South Mumbai. As the Hon'ble Forum held that the Forum has no territorial jurisdiction. Therefore Complainants withdrew the Complaint with liberty to file the same before proper Forum.
16. Mr. P.K. Viswanathan ("Complainant") has filed complaint against our Company bearing No. 125 of 2006 before the Hon'ble District Consumer Disputes Redressal Forum, Chennai. The Complainant had booked a tour through our Company. The Complainant has alleged deficiency of service against our Company and has claimed compensation for an amount of Rs. 3.12 Lacs being paid with interest of 24% per annum. The Complaint is presently pending before District Consumer Disputes Redressal Forum at Chennai.
17. Mr. P. N Bhandari and others ("Complainants") have filed a Consumer Complaint against our Company bearing No. 452 of 2004 before District Consumer Disputes Redressal Forum, at Jaipur. The Complainants had booked a package tour through our Company. The Complainants have alleged deficiency of service against our Company and has claimed compensation for an amount of Rs. 0.57 Lacs. The District Consumer Disputes Redressal Forum, at Jaipur passed order against our Company. Company has filed an Appeal against the impugned order before the State Commission.

18. Mr. Amrit Singh (“Complainant”) had filed a Consumer Complaint against our Company bearing No. 240 of 1999 before the District Consumer Dispute Redressal Forum at Rampur. The Complainant had booked a tour through our Company. The Complainant alleged that our Company had deliberately cancelled his tour and has claimed compensation. By an order dated August 13, 2001 passed by the Hon’ble Forum our Company was directed to deposit a sum of Rs. 0.15 Lacs and other cost. Aggrieved by the said order, our Company has filed an Appeal in 2001 before the State Consumer Dispute Redressal Commission, Lucknow U.P. which is presently pending.
19. Dharmendra Mohanani (“Complainant”) has filed a Consumer Complaint against our Company bearing No. 550 of 2003 before the District Consumer Dispute Redressal Forum at Jaipur. The Complainant had booked a tour called “Alpine Wonders” for himself and his family members. The Complainant alleged that our Company has taken an illegal amount towards cancellation charges and is claiming compensation for an amount of Rs. 0.90 Lacs charged towards Cancellation charges. The Complaint is presently pending before the District Consumer Dispute Redressal Forum at Jaipur.
20. Adarsh Kumar Handa (“Complainant”) has filed a Consumer Complaint against our Company & others bearing No. 1238 of 2004 before the District Consumer Dispute Redressal Forum, New Delhi. The Complainant had taken a tour called ‘Discover America’. The Complainant has alleged that our Company had issued a wrong Ticket to the Complainant for which he was charged extra amount. The Complainant has alleged unsatisfactory services and deficiency of services against our Company and is claiming a refund of USD 686.90 for the extra amount charged for medical insurance and Rs. 0.10 Lacs for harassment and mental agony. The Complaint is pending for orders before the District Consumer Dispute Redressal, New Delhi.
21. R.S. Gupta (“Complainant”) has filed a Consumer Complaint bearing No.444 of 2007 against our Company before the District Consumer Disputes Redressal Forum, Gurgaon. The complainant had booked a tour to Europe for himself and his better half. The Complainant alleged that an illegal amount was taken towards the difference of Euro value against INR and is also claiming compensation for an amount of Rs. 0.50 Lacs charged towards curtailing the tour at Dubai. The Complainant has alleged unsatisfactory services and deficiency of services against our Company and is claiming in all a refund of Rs. 0.72 Lacs, a cannon Digital Camera, cost for filing complaint and interest @ 9% from the date of filing the complaint. The Complaint is pending before the District Consumer Disputes Redressal Forum, Gurgaon.
22. Vinit Ajmani (“Complainant”) has filed a Consumer Complaint against our Company bearing No.912 of 2007 before the District Consumer Disputes Redressal Forum, Bhopal. The complainant had booked a tour to Thailand, Singapore, and Malaysia through our Company. The complainant has made various allegations and grievances against the inconvenience faced by him at the various stages of the tour and claimed compensation to the tune of Rs. 1.86 Lacs. The Complaint is presently pending before the District Consumer Disputes Redressal Forum, Bhopal.
23. Arun Kumar Bafna and Others (“Complainants”) have filed a Consumer Complaint bearing No. 348 of 2007 against our Company before the Consumer Dispute Redressal Forum at Coimbatore. The Complainant had booked a tour called Europe Extravaganza for himself and his family members. The Complainant alleged that our Company has taken an illegal amount towards cancellation charges and is claiming compensation for an amount of Rs. 1.59 Lacs charged towards Cancellation charges. The Complainant has alleged unsatisfactory services and deficiency of services against our Company and is claiming a refund of Rs 18 Lacs for mental agony, hardship and loss of time value and enjoyment of tour and refund Rs. 1.59 Lacs held towards cancellation Charges and interest @ 24% p.a. on Rs. 1.59 Lacs. The matter was dismissed. The Complainant filed a restoration Application and the same is pending.
24. Col. D. S. Bindra S/o Late Shri Amar Singh Bindra, (“Complainant”) has filed a Consumer Complaint bearing No.924 of 2008 against our Company before the Chandigarh District Consumer Disputes Redressal Forum – II Union Territory, Chandigarh. The Complainant had booked a tour through our Company to Frankfurt (Germany) and back to India. The Complainants have alleged deficiency of services against our Company and is claiming compensation for an amount of Rs.10.97 Lacs along with interest @18% p.a., mental agony and legal charges. The Complaint is pending before the Chandigarh District Consumer Disputes Redressal Forum – II Union Territory, Chandigarh.

25. Rajeshbhai Panchand Shah and others (“Complainants”) have filed a Consumer Complaint bearing No. 326 of 2008 against our Company before District Consumer Disputes Redressal Forum, at Surat. The Complainants had booked a package tour known as “Oriental Classic” through our Company. The Complainants have alleged deficiency of service, unfair trade practices and negligence and has claimed compensation for an amount of Rs. 7.23 Lacs with interest @ 15% p.a. from the date of 10<sup>th</sup> August 2007 till date. The Complainants have also demanded an additional compensation of Rs.1.35 Lacs @ (Rs. 15,000/- per person) The Complaint is presently pending before District Consumer Disputes Redressal Forum, at Surat.
26. Pranay Mehta and others (“Complainants”) have filed a Consumer Complaint bearing No. 228 of 2008 against our Company before the Consumer Disputes Redressal Forum, at Vadodara. The Complainants had booked a package tour called “Eastern Wonders” for themselves through our Company. The Complainants have alleged deficiency of service, unfair trade practices and negligence and has claimed compensation for an amount of Rs. 0.75 Lacs along with the interest @ 18% p.a till date and is also claiming a compensation of Rs. 14 Lacs @ (Rs. 3.50 Lacs per Complainant) towards causing mental agony, pain, and distress. The Complainant has also demanded a refund of Rs. 0.29 Lacs together with @18% p.a. The complainant also prayed for fine of Rs. 1 lac for deficiency of services. The Complaint is presently pending before District Consumer Disputes Redressal Forum, at Vadodara.
27. Daksha Patel and Another (“Complainants”) have filed a Consumer Complaint bearing No. 444 of 2008 against our Company before the Consumer Disputes Redressal Forum, at Ahmedabad. The Complainants had booked a round trip airline tickets from Ahmedabad – Mumbai – New York – Mumbai – Ahmedabad through our Company. The Complainant has alleged deficiency of services and cost of litigation against our Company and is claiming a compensation for an amount of total Rs. 5.20 Lacs. The Complaint is pending before District Consumer Dispute Redressal Forum, Ahmedabad.
28. Jayashree Asanani Harpalani (“Complainant”) has filed a Consumer Complaint against our Company before the Consumer Disputes Redressal Forum, at Jaipur. The Complainants had booked an Airline ticket to Montego Bey for herself through our Company. The Complainants have alleged deficiency of service and have claimed compensation for an amount of Rs. 3.50 Lacs, in addition to mental agony and legal expenses extra. The Complaint is presently pending before the Consumer Disputes Redressal Forum, at Jaipur.
29. R.C. Juneja (“Complainant”) has filed a Consumer Complaint bearing No. 1264/07 against our Company before the District Consumer Disputes Redressal Forum, at Jaipur. The Complainant had booked an Airline ticket to Scotland for himself through our Company. The Complainant alleged that our Company has taken an illegal amount towards the difference of Euro value against INR of Rs. 0.17 Lacs for the foreign exchange difference. The Complainants have alleged deficiency of service and has claimed compensation for an amount of Rs. 0.15 Lacs in addition to mental agony and legal expenses of Rs. 0.15 Lacs. The Complaint is presently pending before the Consumer Disputes Redressal Forum, at Jaipur.
30. Manisha Das (“Complainant”) has filed a Consumer Complaint bearing No. 857 of 2008 against our Company before District Consumer Disputes Redressal Forum, at Khurda, Khandagiri, Bhubaneshwar. The Complainant had booked a package tour to Europe Countries through our Company. The Complainant had alleged deficiency of service, unfair trade practices, negligence and mental agony against our Company and has claimed refund of Rs. 0.25 Lacs alongwith interest @ 18 % and compensation of Re. 1 lac. The Complaint is presently pending before District Consumer Disputes Redressal Forum, at Khurda, Khandagiri, Bhubaneshwar.
31. Alankar Khanna (“Complainant”) has filed a Consumer Complaint bearing No 780/2007 against our Company (“Defendants”) before the District Consumer Disputes Redressal Forum, at Jaipur. The Complainants had booked a package tour called “Hallmark of Europe Tour” for himself and his family through our Company. The Complainant had alleged deficiency of service, against our Company and has claimed refund of Rs. 0.50 Lacs alongwith interest @ 24%, compensation for an amount of Rs. 0.50 Lacs for mental agony and Rs. 0.10 Lacs for legal expenses. The Complaint is presently pending before the Consumer Disputes Redressal Forum, at Jaipur.
32. Devrath Arya (“Complainant”) has filed a Consumer Complaint bearing No. 1321/2007 against our Company before the District Consumer Disputes Redressal Forum at Jaipur. The Complainant had booked a package tour to America for himself through our Company. The Complainant had alleged deficiency of service, against

our Company and has claimed refund of Rs. 1.18 Lacs alongwith interest @ 15%, expenses of Rs. 2.50 Lacs, compensation for an amount of Rs. 5 Lacs and legal expenses of Rs. 0.11 Lacs. The Complaint is presently pending before the Consumer Disputes Redressal Forum, at Jaipur.

33. Sajansingh Labana ("Complainant") has filed a Consumer Complaint bearing No. 72/2008 against our Company before the District Consumer Disputes Redressal Forum, at Navsari. The Complainant had booked the package tour called "American Grandeur" for himself and his family through Shree Vishal Travels, authorised agent of our Company. The Complainant had paid Rs. 1.50 Lacs as part payment and Rs 0.70 Lacs for the visa expenses. The visa of the Complainant was rejected by the authority hence Complainant demanded back the part payment and visa expenses. The Complainant alleged our Company has taken illegal amount as the said amount had not been returned to the Complainant. Hence Complainant claimed refund of Rs. 1.50 Lacs alongwith interest @ 12%, expenses of Rs. 0.30 Lacs, compensation for an amount of Rs. 5 Lacs, legal expenses of Rs. 0.11 Lacs, visa expenses of Rs. 0.70 Lacs, compensation of Rs. 1 Lac for mental agony and other charges. The matter is presently pending before the District Consumer Disputes Redressal Forum, at Navsari.
34. Umesh S/o Bansilaji Patni ("Complainant") has filed a Consumer Complaint bearing No. 204 of 2008 against our Company ("Defendants") before the District Consumer Dispute Redressal Forum at Nagpur. The Complainant had booked a tour called "Australian Grandeur Tour" for himself and his family through our Company. The Complainant alleged that our Company had not shown all the sights and did not book the hotels as mentioned in the brochure and so has claimed compensation. By an order dated July 02, 2008 passed by the Hon'ble Forum, our Company was directed to deposit a sum of Rs. 0.60 Lacs to each passenger traveling on the said Tour and other costs. Aggrieved by the above order, our Company has filed an Appeal bearing No. 661 of 2008 and a stay application registered as Miscellaneous Application No. 459 of 2008. The Hon'ble court has passed stay order and the above appeal is pending before the State Consumer Dispute Redressal Commission, Nagpur.
35. Munir T. Khambati S/o T.N. Khambati and others ("Complainants") had filed a Consumer Complaint bearing No. 997 of 2007 against our Company ("Defendants") before the District Consumer Dispute Redressal Forum I at Hyderabad. The Complainants had booked a tour to Turkey, Greece, Hungary, & Czech through our Company. The Complainants had alleged deficiency of service, against our Company and has claimed compensation of Rs. 19 Lacs. By an order dated July 08, 2008 passed by the Hon'ble Forum our Company was directed to deposit a sum of Rs. 2 Lacs to the Complainants and other cost of Rs. 2000/-. Aggrieved by the said order, our Company has filed an Appeal before the State Consumer Dispute Redressal Commission, Hyderabad where the State Commission by an Order dated September 15, 2008 admitted the matter and stayed the operation of the order dated July 08, 2008 and allowed Respondent to withdraw an amount of Rs. 0.25 Lacs out of Rs. 1.01 Lacs deposited by our Company.
36. Rajendra Singh ("Complainant") has filed a Consumer Complaint bearing No. 868/2007 against our Company before the District Consumer Disputes Redressal Forum I at Jaipur. The Complainant had booked a package tour to Jammu & Kashmir for himself and his family through our Company. The Complainant alleged that our Company had not booked the hotels as mentioned in the brochure so as the airlines for the tour and so has claimed compensation. The Complainant had alleged deficiency of service, against our Company and has claimed compensation for an amount of Rs. 7.75 Lacs along with mental agony, legal expenses and other charges. The Complaint is presently pending before the Consumer Disputes Redressal Forum I at Jaipur.
37. Joydeep Baneerjee has filed a Consumer Complaint bearing No. 251 of 2007 against the Company before the District Consumer Disputes Redressal Forum, Calcutta. The Complainant had booked a tour called "European Extravanganza" through the Company. The Complainant had alleged deficiency in services and has claimed a compensation of Rs. 4.00 Lacs or a tour to Rome, Vatican City and Pisa and further compensation of Rs. 2.00 Lacs for harassment and mental agony along with an interest @ 12% p. a. on the entire compensation. The Complaint is pending before the District Consumer Dispute Redressal, Calcutta.
38. Asha Shankar and another ("Complainants") have filed a Consumer Complaint against our Company bearing No. 2151 of 2008 before the District Consumer Disputes Redressal Forum, Bangalore. The Complainant had booked a tour and has alleged deficiency in services against our Company in respect to late delivery of Tour documents, insufficient proofs in respect of increase in ticket fare due to increase in fuel charges and other travel related deficiencies. The Complainant has claimed for compensation for mental agony, strain and

anxiety due to negligent and deficiency in services amounting to Rs. 1 Lac and has claimed for reimbursement of expenses amounting to Rs. 0.26 Lacs. The matter is presently pending.

39. R.K. Jain and Others (“Complainant”) have filed a Consumer Complaint against our Company bearing No. 1243 of 2008 before the District Consumer Disputes Redressal Forum, New Delhi. The Complainant had booked a tour with our Company and alleged negligence for not applying for Visa documents of their son who was in UK for further studies. The Complainant also alleged that tour date was changed and the Complainant had to miss few destinations of the tour due to clashing of dates with prior commitments i.e. Convocation ceremony of his son. The Complainant has claimed Rs. 1.5 Lacs as compensation for causing harassment and mental torture, Rs. 1.5 Lacs for Professional loss, Rs. 1.7 Lacs additional expenses and Rs. 1.65 Lacs for missing 5 days of the tour due to negligence and deficiency in service. The matter is presently pending.
40. Sunil Kumar Gupta (“Complainant”) has filed a Consumer Complaint against our Company and Others bearing No. 34042 (OF) before the Consumer Protection Forum, Jammu. The Complainant had booked a tour with our Company through an Agent and has alleged that an inferior package was provided to the Complainant by our Company which was different from the package booked by the Complainant through the Agent, because of which the Complainant was provided with single room as against double room as promised. The Complainant has further alleged that such act was committed intentionally and has claimed compensation of Rs. 0.43 Lacs for extra money received by the agent, Rs. 0.50 Lacs for providing single room as against double room, Rs. 1 Lac for damages and compensation and Rs. 0.20 Lacs litigation expenses alongwith interest @ 18% p.a. The matter is presently pending.
41. Rappai (“Complainant”) has filed a Consumer Complaint against our Company bearing No. 08/397/2008 before the Consumer Disputes Redressal Forum, Ernakulam. The Complainant had booked a tour with our Company and has alleged negligence and deficiency in services for providing different itinerary i.e. Vegetarian meals instead of Indian Non-Vegetarian meals. Complainant has claimed for negligence, deficiency in service and inconvenience, mental agony, pain and sufferings amounting to Rs. 1 Lac and refund of Rs. 0.10 Lacs towards cost of litigation. The matter is presently pending.
42. Suganthi Prabhu (“Complainant”) has filed a Consumer Complaint against our Company and another bearing No. 7/2008 before the District Consumer Disputes Redressal Forum, Chennai. The Complainant had booked a tour with our Company wherein the Visa forms were incorrectly filled which led to embarrassment and also alleged that our company delayed in delivering the tickets. Furthermore also alleged that our Company lost their baggage during the transit back to India. The Complainant further alleges that certain articles were missing from the baggage on delivery of it to the Complainant. The Complainant claims for compensation of Rs. 0.50 Lacs for loss of articles alongwith interest @ 24% p.a. and Rs. 2 Lacs towards compensation for mental agony. The matter is presently pending.

#### ***Labour Litigation filed against our Company***

1. Ms. Yvonne Menezes (“Petitioner”) has filed a Petition against our Company before the Industrial Tribunal at Goa. The Petitioner was working as a Cashier cum Clerk on probation at the Foreign Exchange Branch at Goa. The Petitioner has alleged that our Company had wrongfully terminated the Petitioner on the grounds of production of false mark sheet of graduation and also on account of loss of Confidence. The Petitioner has challenged her termination as no domestic inquiry was held in the matter. The Petition is presently pending before the Industrial Tribunal at Goa. The Labour Court has passed an Order in favour of the petitioner. our Company has filed Writ Petition challenging order passed by Industrial Tribunal and the same is pending in the High Court of Bombay at Panaji, Goa.
2. Mr. Mohit Jain (“Petitioner”) has filed a Petition against our Company before 7th Labour Court at New Delhi. The Petitioner was working as an Executive – Foreign Exchange, Hotel Imperial Branch, New Delhi. The Petitioner has alleged that our Company had wrongfully dismissed the Petitioner in 1998 on account of loss of Confidence alleging that the petitioner had tampered with the Foreign Exchange Rates System of our Company. The petitioner has challenged his dismissal as no domestic inquiry was conducted against the petitioner. The petition is presently pending before the 7th Labour Court at New Delhi.



### ***Customer Grievances / Notices received by our Company***

Our company has received various Grievances / Notices from its customers who had booked tour(s) and have alleged deficiency of services against our Company. Our company has replied to most of these Grievances / Notices. No legal proceedings have been initiated pursuant to these Grievances / Notices except for the ones which have already been disclosed in the Litigation Section above.

### ***Compounding under Section 621A of the Companies Act, 1956***

#### ***1. Section 205 C of the Companies Act, 1956***

Our company received a show cause notice dated May 12, 2004 from the Registrar of Companies (“ROC”), Mumbai alleging violation of the provisions of Section 205C of the Companies Act, 1956 (“Act”) viz. establishment of Investor Education and Protection Fund. The said violation was in respect of delay in transferring the unclaimed share application refund money in respect of our Company’s public issue of shares in 1983.

Our company filed an application under Section 621A of the Act to the ROC for compounding of the said offence under section 205C of the Act. The ROC has vide letter dated August 30, 2004 forwarded the application to the Company Law Board (“CLB”) and the same is treated as a Company Application.

The CLB has vide its order dated September 8, 2004 compounded the offence against our Company on payment of Rs. 3,000 and Rs. 500 each against the CEO & Managing Director and Company Secretary. Further our Company has also filed the required Form 61 with the ROC.

#### ***2. Section 297 of the Companies Act, 1956***

Our company has made an application to the Registrar of Companies (“ROC”), Mumbai for compounding violation of section 297 (1) of the Companies Act, 1956 (“Act”) in respect of not obtaining prior approval of the Central Government for entering into contracts for supply of consultancy services in the area of human resources, management consultancy, HR systems and policies etc with M/s. Tamara Capital Advisors Private Limited, a company in which Mr. Udayan Bose a director of the company is also a director of our Company. Further the ROC has vide letter dated July 25, 2006 forwarded the application to the Company Law Board (“CLB”) and the same is treated as a Company Application.

The CLB has vide its order dated August 21, 2006 compounded the offence against our Company on payment of Rs. 5,000 and Rs. 2,000 each against the directors and Company Secretary. Further our Company has also filed the required Form 61 with the ROC.

### ***Criminal Proceedings initiated by our Company – Sri Lanka Branch***

Based on an FIR lodged by our Company, the State (“Complainant”) has filed a Criminal Complaint against Mr. T.M Shiraz Abbas (“Accused”) before the Gangodawila Magistrate Court bearing no.B/1090 of 2005. Our company has alleged that the Accused has misappropriated a sum of SLR. 32.39 Lacs from our Company. Since the amount under consideration was higher this matter was transferred from Gangodawila Magistrate Court to the High Court in Colombo bearing Case No HC 4010/2007. Accordingly on August 1, 2008 an order was passed that the Accused be sentenced to rigorous imprisonment for two years and such imprisonment be suspended for ten years. In addition a fine of SLR 50,000/- was imposed. On non payment of the fine, rigorous imprisonment of two years would be imposed. The Company is in the process of approaching the District Court for recovery of the monies due and also considering instituting a civil action for recovery of the amount due from Abbas.

### ***Labour Litigation against our Company – Sri Lanka Branch***

T.M. Shiraz Abbas (“Petitioner”) had filed Petition no. LT Case No. 1/05/05 in the Labour Tribunal alleging inter alia that his services were terminated unjustly. Thereafter an application was made by the Company to suspend the hearing at the Labour Tribunal until the conclusion of the criminal action against the employee which is pending before the Magistrate’s Court, Gangodawila, (i.e. MC Case No. B 1090/05.). This application was allowed by the Labour Tribunal on 24<sup>th</sup> January 2007 and the matter is presently laidby. As a

consequence flowing from the High Court decision bearing Case No HC 4010/2007 an application will be made shortly to the Labour Tribunal for dismissing Abbas's application for compensation.

### **Labour Litigation by our Company – Sri Lanka Branch**

1. Our company has made an application to the Labour commissioner to terminate the services of two employees Mr. W M A Namal Somasiri and Mr. K A Sarath Kumara on the basis that our Company have closed our travel operations and all other employees opted to resign under the voluntary retirement scheme offered by us. The matter is pending for orders before the Labour Commissioner.

### **Litigation filed by shareholders of our Company**

Some Shareholders have filed certain cases relating to loss of shares/ transfer deeds, injunction against transferring shares / issuing duplicate shares / dividend / bonus / custodian cases etc. No monetary compensation except costs has been claimed in the abovementioned cases, except in the following matters:

1. Arbind Kumar Agarwal ("Complainant") had filed a consumer complaint against our Company bearing No. 126 of 1995 before the District Consumer Redressal Forum, Darjeeling. The Complainant had alleged that 100 shares purchased by the Complainant were transferred in favour of third parties. The Complainant had claimed a compensation of Rs. 3,000. By an order dated October 13, 1999 the Hon'ble Forum directed our Company to transfer 100 shares in favour of the Complainant and also directed our Company to pay a sum of Rs. 3,000. Aggrieved by the said order, our Company has filed an appeal before the State Commission at West Bengal, where the Appeal is presently pending.
2. Seema Devi Mohata ("Plaintiff") has filed a Suit against our Company bearing No. 4372 of 1998 before the City Civil Court at Ahmedabad. The Plaintiff has filed the present Suit for monetary loss suffered by her due to the delay in dispatch of bonus shares and has claimed a compensation of Rs. 27,000. The Suit is presently pending before the City Civil Court at Ahmedabad.

## **INCOME TAX PROCEEDINGS**

### **I. High Court Appeals filed by our Company**

#### **1. A.Y 1989 – 1990 to 1993 – 1994, 1995 – 1996 and 1997 – 1998**

Our Company has filed seven (7) Appeals dated June 2, 2006 before the High Court, Bombay against the combined order dated January 30, 2006 passed by the Deputy Commissioner of Income Tax, Special Range 15, Mumbai for all the seven (7) Assessment Years viz 1989 – 1990, 1990 – 1991, 1991 – 1992, 1992 – 1993, 1993 – 1994, 1995 – 1996 and 1997 – 1998. Our Company has filed the said Appeals for disallowance of deduction claimed u/s 80HHC and 80HHD for each of these Assessment Years details of which are given below:

(Rs. in Lacs)			
Sr. No	Assessment Year	Disallowance under section 80HHC	Disallowance under section 80HHD
1.	A.Y 1989 – 1990	144.71*	71.85
2.	A.Y 1990 – 1991	149.66*	75.81
3.	A.Y 1991 – 1992	181.61	94.21
4.	A.Y 1992 – 1993	5.21	222.39
5.	A.Y 1993 – 1994	431.51	342.62
6.	A.Y 1995 – 1996	216.99	58.68
7.	A.Y 1997 – 1998	147.42	149.83

*\*Deduction under section 80HHC is not claimed at the time of filing the return of Income. However, the same has been claimed at the time of assessment.*

The matter is pending before the High Court, Mumbai.

2. **A.Y 1994 – 1995 and A.Y 1996 – 1997**

Our Company has filed two (2) Appeals dated May 25, 2007 before the High Court, Bombay against the combined order dated January 15, 2007 passed by the Joint Commissioner of Income Tax – Special Range 15, Mumbai (“Assessing Officer, hereinafter referred to as AO”) for two (2) Assessment Years viz 1994 – 1995 and 1996 – 1997. Our Company has filed the said appeal for the disallowance of deduction claimed u/s 80HHC, 80HHD and other disallowance made by the AO for each of these Assessment Years details of which are given below:

(Rs. in Lacs)

Sr. No	Assessment Year	Disallowance under section 80HHC	Disallowance under section 80HHD	Disallowance of payment made to tenants for vacating premises
1.	A.Y 1994 – 1995	407.01	391.27	20.00
2.	A.Y 1996 – 1997	590.90	56.34	15.00

The matter is pending before the High Court, Mumbai.

3. **A.Y. 2000-2001**

Our Company has filed an Appeal dated 12<sup>th</sup> March, 2008 before the High Court, Bombay against the order dated October 29, 2007 passed by the ITAT Mumbai (“Assessing Officer, hereinafter referred to as AO”). Our Company has filed the said appeal for the disallowance of deduction claimed u/s 80HHC, 80HHD and other disallowance made by the AO for Assessment Year 2000-01, details of which are given below:

(Rs. in Lacs)

Sr. No	Assessment Year	Disallowance under section 80HHC	Disallowance under section 80HHD	Project Ramayana Expenses	Disallowance of payment made to tenants for vacating premises
1.	A.Y 2000 – 2001	184.40	154.38	16.02	10.01

The matter is pending before the High Court, Mumbai.

4. **A.Y. 1999-2000**

Our Company has filed an Appeal dated 15<sup>th</sup> April, 2008 before the High Court, Bombay against the order dated November 27, 2007 passed by the ITAT Mumbai (“Assessing Officer, hereinafter referred to as AO”) for Assessment Year 1999-00. Our Company has filed the said appeal for the disallowance of deduction claimed u/s 80HHC, 80HHD and other disallowance made by the AO for Assessment Year.1999-00, details of which are given below:

(Rs. in Lacs)

Sr. No	Assessment Year	Disallowance under section 80HHC	Disallowance under section 80HHD	Disallowance of payment made to tenants for vacating premises
1.	A.Y 1999-2000	180.37	157.31	76.83

The matter is pending before the High Court, Mumbai.

5. **A.Y. 1998-1999 and A.Y. 2001-2002**

Our Company has filed an Appeal dated 25<sup>th</sup> April, 2008 before the High Court, Bombay against the order dated December 12, 2007 and January 31, 2008 for the assessment year 1998-1999 and assessment year 2001-2002 respectively passed by the ITAT Mumbai (“Assessing Officer, hereinafter referred to as AO”). Our Company has filed the said appeal for the disallowance of deduction claimed u/s 80HHC,

80HHD and other disallowance made by the AO for Assessment Year.1998-1999 and 2001-2002, details of which are given below:

(Rs. in Lacs)

Sr. No	Assessment Year	Disallowance under section 80HHC	Disallowance under section 80HHD	Disallowance of payment made to tenants for vacating premises /Project Ajax Expenses
1.	A.Y 1998-99	277.11	136.15	127.22
2.	A.Y 2001-02	198.19	145.60	76.57

The matter is pending before the High Court, Mumbai.

## **II. ITAT Appeals filed by our Company**

### **1. A.Y 2002 – 03**

Our Company has filed an appeal before the Income Tax Appellate Tribunal, Mumbai dated September 21, 2005 against the order dated July 8, 2005 received on July 25, 2005 passed by the Commissioner of Income Tax (Appeals), Mumbai (“Assessing Officer, hereinafter referred to as AO”) for disallowance of deduction claimed u/s 80HHC, 80HHD amounting to Rs. 88.40 lacs and 191.32 lacs respectively. The AO has also reduced the dividend income and interest income amounting to Rs. 14.39 lacs and Rs. 78.96 lacs respectively for purpose of computing the profits of the business of our Company. Further the AO has disallowed an amount of Rs. 0.81 lacs u/s 14A being notional interest which is attributable to the funds utilized for making investments in the shares of the subsidiary (Hindustan Cargo Limited). The matter is heard before the ITAT, Mumbai, which in its order dated 04<sup>th</sup> Aug, 2008 upheld the order of CIT (Appeals) except allowing the allowance under section 14A and giving the company relief of interest charged under section 234D of the Act. The company is contemplating to file a High court appeal against the ITAT order.

### **2. A.Y 2003 – 04**

Our Company has filed an appeal before the Income Tax Appellate Tribunal, Mumbai dated December 22, 2006 against the order dated October 12, 2006 received on October 26, 2006 passed by the Commissioner of Income Tax (Appeals), Mumbai for disallowance of deduction claimed u/s 80HHC, 80HHD amounting to Rs. 43.24 lacs and 196.52 lacs respectively. The matter is currently pending before the ITAT, Mumbai.

### **3 A.Y. 2004 – 2005 (LKP Forex Limited)**

The erstwhile LKP Forex which has now merged with our Company has filed an appeal dated February 5, 2008 before the, Income Tax Appellate Tribunal, Mumbai against the order dated December 14, 2007 passed by the Commissioner of Income Tax (Appeals), Mumbai (“Assessing Officer, hereinafter referred to as AO”), for disallowance of amount of Rs. 61.17 lacs being the claim preferred on account of balance written off. The AO under the said order has charged interest u/s 234B/ 234C/ 234D as applicable. The matter is currently pending before the ITAT, Mumbai.

## **III ITAT Appeal filed by the Department**

### **1 A.Y. 1994-95**

The Deputy Commissioner of Income Tax – I (3), Mumbai has filed an appeal dated May 02, 2008 against our Company before the Income Tax Appellate Tribunal, Mumbai against the order dated March 7, 2008 passed by the Commissioner of Income Tax (Appeals), Mumbai for cancelling the penalty levied on our Company u/s 271 (1) (c) for claim under section 80HHC amounting to Rs. 210.63 lacs. The matter is currently pending before the ITAT, Mumbai.

## **2 A.Y. 1996-97**

The Deputy Commissioner of Income Tax – I (3), Mumbai has filed an appeal dated May 02, 2008 against our Company before the Income Tax Appellate Tribunal, Mumbai against the order dated March 7, 2008 passed by the Commissioner of Income Tax (Appeals), Mumbai for cancelling the penalty levied on our Company u/s 271 (1) (c) for claim under section 80HHC amounting to Rs. 271.82 lacs. The matter is currently pending before the ITAT, Mumbai.

## **IV CIT Appeal filed by our Company**

### **1 A.Y. 2004 – 2005**

Our Company has filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai against the order dated December 4, 2006 passed by the Additional Commissioner of Income Tax Range – I (3), Mumbai (“Assessing Officer, hereinafter referred to as AO”) for disallowance of deduction claimed u/s 80HHC, 80HHD amounting to Rs. 36.47 lacs and 133.12 lacs respectively. The AO further has, added back Rs. 27.85 lacs to the total income on account of “Transfer Pricing Adjustment”, disallowed Rs. 8.28 lacs on account of legal and Professional charges in the nature of web maintenance, disallowed Rs. 70.18 lacs being the proportionate amount of expenditure incurred for earning tax free dividend income, disallowed Rs. 14.67 lacs being the legal and professional charges in the nature of share certificate maintenance, disallowed the bad debts written off amounting to Rs. 90.98 lacs. The AO under the said order has charged interest u/s 234A/ 234B/ 234C/ 234D as applicable along with issuance of penalty notice u/s 271 (1) (c) for filing inaccurate particulars of income. The matter is currently in progress before the CIT (Appeals), Mumbai.

## **V Notice issued by ACIT**

### **1 A.Y 2002 – 2003**

Our Company has received a notice from Assistant Commissioner of Income Tax – I (3), Mumbai dated March 30, 2006 u/s 148 of the Income Tax Act, 1961 (“Act”) for re-assessment of Income as it has escaped assessment within the meaning of section 147 of the said Act. Our Company has filed the Return of Income as prescribed in the said notice along with the letter asking for the reasons for reopening the assessment letter dated 07.12.2007 is received from the department stating the reasons for reopening the assessment the reasons recorded are difference in the Depreciation Claim. The Company has submitted its reply on 20.12.2007. There are no further proceedings initiated by the Income Tax Department pertaining to the said matter.

## **SERVICE TAX DISPUTES**

### **I. Appeal filed by our Company**

1. The erstwhile LKP Forex, now merged with our Company has filed an Appeal before the Commissioner of Central Excise (Appeals), Jaipur dated July 29, 2008 against the order dated April 29, 2008 passed by the Additional Commissioner, Service Tax whereby the Assistant Commissioner has raised a demand of Rs. 0.63 lacs alongwith applicable interest and penalty on sundry miscellaneous income treating it as revenue from Forex Broking.

### **II. Show Cause Notices**

- a. Our Company has received a Show Cause cum Demand Notice (“SCN”) bearing F.No. DGCEI/PRU/INT/51/06/739/4001 dated April 26, 2006 issued by the Joint Director, DGCEI- Regional Unit, Pune raising a demand of Rs. 14.99 lacs. Our Company has received the said SCN for determination of applicability of service tax and service tax payable under the category of Business Auxiliary Services on the Shopping Commission received by our Company from various parties where our Company is promoting the business of such parties viz. M/s Cottage Industries Exposition Limited, New Delhi, M/s P.R. Enterprises, Goa, etc. The period of the dispute is related to July, 2003 to June, 2005. Our Company has paid an amount of Rs. 5.29 lacs (inclusive of interest) under protest and the balance of Rs.10.76 lacs (Inclusive of interest) without any dispute. Further under the said SCN, our Company is required to show cause as to why interest

and penalties under various sections should not be imposed. Our Company has filed its reply vide letter dated November 7, 2006. The matter is pending before the Joint Director, DGCEI- Regional Unit Pune.

2. Our Company has received a Show Cause Notice ("SCN") bearing reference no. C No. DLI / ST/ AE/ 70/05/10675 dated April 17, 2008 issued by Commissioner of Service Tax, Delhi whereby a demand of Rs. 713.54 lacs has been raised along with applicable interest and penalty as the Service tax applicable on the Outbound Tours. (*i.e. Tours conducted outside India*). The said demand pertains to period from September 10, 2004 to September 30, 2007. Our Company is in the process of filing its reply to the department.
3. Our Company has received a Show Cause Notice ("SCN") bearing No. DL/ST/AE/Inq/73/05/12015 dated May 5, 2008 issued by Additional Commissioner of Service Tax, Delhi whereby a demand of Rs. 8.82 lacs has been raised along with applicable interest and penalty for non payment of service tax for the period from March 15, 2005 to December 31, 2007. Our Company has filed its reply vide letter dated November 14, 2008..
4. Our Company has received a Show Cause Notice ("SCN") bearing No. III /10/236/08 ST (Audit) dated July 8, 2008 issued by Assistant Commissioner of Service Tax, Chennai for wrong availment of Cenvat Credit in case of Common Services for the period from April 2006 to July 2007 (*given the fact we follow abatement option as per notification 1/2006 under the Tour Operator Category*) whereby a demand of Rs. 3.35 lacs has been raised along with applicable interest and penalty. Our Company has submitted a detailed reply on August 27, 2008. However, we have received an adverse order on the same dated 24.10.2008 and we are in the process of filing an appeal against the same..
5. Our Company has received Show Cause Notice bearing No.V/ST/38/73/07ST Adj/1975/08 dated July 25, 2008 issued by Assistant Commissioner of Service Tax, Cochin for wrong availment of Cenvat Credit. Our Company had on noticing the same already reversed the credit and hence the Department has imposed penalty and has charged interest as applicable for the period from the date of wrong availment till the date of reversal. We have made a detailed submission on September 19, 2008. There is no further proceeding initiated by the Department.
6. Our Company has received Show Cause Notice bearing F No. SD-02/ATA/31/ SCN/Thomas Cook/08-09/2069 dated August 12, 2008 issued by Assistant Commissioner of Service Tax, Ahmedabad for short-payment of service tax amounting to Rs. 1.82 lacs for the period from April 1, 2007 to September 30, 2007 along with applicable interest and penalty. Our Company is in the process of filing its reply on the same. We have made a detailed submission on October 8, 2008. There is no further proceeding initiated by the Department.
7. Our Company has received Show Cause Notice bearing reference C. No. V (15)36 / SCN / ST / R-I / D-III / KOL / 08 / 6697A dated October 23, 2008 issued by Commissioner of Service Tax, Kolkatta for non payment of Service tax to the tune of Rs. 227.14 lacs and interest, penalty as applicable; which is in relation to forex business (*forex brokers*), ECS fees and MoneyGram revenue, outbound tourism, Commission paid to agents abroad (*import of service rules*), various airline taxes and supplementary commission/discounts received from airlines and travel agency income. Our Company is in the process of filing its reply to the department.
8. Our Company has received Show Cause Notice bearing reference C. No. IV / 16 / 55 / 2008 / ST.Adj dated October 21, 2008 from the Joint Commissioner of Service Tax, Trivandrum for non payment of Service tax totaling to Rs. 27.04 lacs alongwith interest and penalty as applicable on various revenue streams like ECS fees, MoneyGram Revenue, TC incentives, Handling Charges from SBI/SBT, etc. Our Company is in the process of filing its reply to the department.

### **III. Audit Objection Letters**

1. Our Company has received an Audit Objection Letter ("AOL") dated February 19, 2008 from the Assistant Commissioner (Audit), Kolkatta in relation to payment of service tax on forex business (*forex brokers*), ECS fees and MoneyGram revenue, outbound tourism, Commission paid to agents abroad (*import of service rules*), various airline taxes and supplementary commission/discounts received from airlines and travel agency income. Our Company has submitted a detailed reply to the said SCN on April 24, 2008. There is no further proceeding initiated by the department in relation to the same.

2. Our Company has received an Audit Objection Letter (“AOL”) bearing OC No. 319/2006 dated September 11, 2006 from the Superintendent of Central Excise Range III, Trivandrum to provide the reasons for the discrepancies detected during the audit of our Company for the period of August 2002 to March 2006. Our Company has filed a reply to the said AOL vide letter dated December 26, 2006 to which our Company has further received an AOL dated May 7, 2008 wherein clarification for non-payment of service tax on the following revenue streams and ledgers of the same have been asked for:
  - i. Various Forex Streams – Administration Charges, ECS Fees, Cash Advances on ICC, Forex Profit, etc.;
  - ii. SBI and SBT Handling Charges;
  - iii. Commission from Moneygram.

Our Company has submitted its reply to the department on July 29, 2008. There is no further proceeding initiated by the department.

## **SECURITIES MARKET RELATED INVOLVING OUR COMPANY**

For the period May 20, 1997 to April 30, 2001 filings pertaining to chapter II of SEBI Takeover Regulations, were done by our Company based on the understanding that these disclosures were required to be filed in line with our financial year. Hence the disclosures were being filed as of 31st December every year from 1997 till 2000. In 2001, our Company changed its financial year to end on 31st October every year and accordingly, the annual disclosure was filed in November 2001. However, in the same month, NSE clarified that the annual disclosures were to be filed with reference to the financial year April – March every year and not as per the financial year of our Company. In view of this clarification from NSE, our Company started submitting the annual disclosures for the year ending 31st March every year, 2002 onwards.

Our Company was levied a penalty of Rs. 1,50,000/- for the said non-compliance by SEBI. Our company vide letter dated October 8, 2004 to SEBI agreed for settlement by consent order by agreeing to pay the said penalty and waive our right of hearing. Our company in the said letter also requested SEBI to forward the said letter to the Adjudicating Officer to enable the Adjudicating Officer to pass a consent order under SEBI (Procedure for Holding Enquiry and Imposing Penalty by Adjudicating Officer) Rules, 1995. Our company has till date not received any communication from SEBI / Adjudicating Officer as regards payment of the said penalty.

### ***Criminal Proceedings filed by erstwhile LKP Forex (now merged with our Company)***

1. Erstwhile LKP Forex Limited has filed a Criminal Complaint against Mr. Qamar Moinuddin and Others (“Accused”) bearing no. 3367 of 2006 in Chief Metropolitan Magistrate Court, at Delhi under Section 138 of Negotiable Instrument Act, 1881. The Complaint states that the Accused had purchased foreign exchange Euros 1,000 under basic travel quota. The Accused issued a cheque for a sum of Rs. 0.54 Lacs which was dishonoured. Thus, erstwhile LKP Forex filed the present complaint against the Accused. The Criminal Complaint is presently pending in the Court of Chief Metropolitan Magistrate at Delhi.
2. Erstwhile LKP Forex Limited has filed a Criminal Complaint against Mrs. Minnu Puri (“Accused”) bearing no. 2103/SS/2004 before the Additional Chief Metropolitan Magistrate at Esplanade Bombay under Section 138 read with Section 142 of Negotiable Instrument Act, 1881. The Accused had purchased foreign currencies for a value of U.S.D 6,000 and Traveller’s cheque worth 35,700 USD. The Accused had issued a cheque for a sum of Rs. 1.00 Lacs which was dishonoured. The Criminal Complaint is presently pending before the Metropolitan Magistrate Court, at Esplanade at Bombay.
3. Erstwhile LKP Forex Limited has lodged an F.I.R. bearing no. 171 of 2005 dated June 8, 2005 with Azad Maidan Police Station, Bombay against Mr. Rajan Narayan Nambiar (“Accused”) under Section 420, 465, 467, 468, 471 of Indian Penal Code 1860. The Accused had purchased USD 20,400 from the erstwhile LKP Forex for a value of Rs. 9.20 Lacs. The Accused had issued a Cheque which was dishonoured and a Complaint is filed for the same. Erstwhile LKP has also filed a Criminal Complaint bearing no.19/PW/2006 before the Metropolitan Magistrate Court, at Esplanade, Bombay. The Criminal Complaint is presently pending before the Metropolitan Magistrate Court at Esplanade, Bombay.
4. Erstwhile LKP Forex Limited has filed a Criminal Complaint against Mr. Summersingh Bhati and Others (“Accused”) before the Additional Civil Judge, Jodhpur under Section 138 read with Section 142 of Negotiable

Instrument Act, 1881. Jagvilla Recreation and Hospitality Limited had purchased foreign currency for a visit abroad for Mr. Summersingh. To clear the liabilities, a cheque of Rs. 4.58 Lacs was issued by Summersingh which was dishonoured and hence the present complaint is filed for recovery of Rs. 4.58 Lacs. The matter is presently pending before the Additional Civil Judge, Jodhpur.

5. Erstwhile LKP Forex Limited has filed a Criminal Complaint against Royal Knitters & Processors and Others (“Accused”) before the Illaqa Magistrate Court at Ludhiana. The present complaint is filed under Section 138 of Negotiable Instrument Act, 1881 read with Section 420 of Indian Penal Code. The Accused had purchased foreign currencies of U.S.D 2,000 aggregating to a value of Rs. 0.90 Lacs. The Accused had issued a cheque for Rs. 0.90 Lacs which was dishonoured. The Complaint is presently pending before the Illaqa Magistrate Court at Ludhiana.
6. Erstwhile LKP Forex Limited has filed a Criminal Complaint against Vinod Tondon and Others (“Accused”) bearing no. 365 of 2005 before the Additional Chief Metropolitan Magistrate Court at Indore under Section 138 of Negotiable Instrument Act, 1881. The Accused had purchased GBP 2200 and Amex Travellers cheque of GBP 700 aggregating to a value of Rs. 2.45 Lacs. The Accused had issued a cheque for Rs. 2.45 Lacs which was dishonoured. The Complaint is presently pending before the Additional Chief Metropolitan Magistrate Court at Indore.
7. Erstwhile LKP Forex Limited has filed a Criminal Complaint against Mr. Devendra Kumar Malvia (“Accused”) before the Metropolitan Magistrate Court at Indore under Section 138 read with Section 142 of Negotiable Instrument Act, 1881. The Accused had purchased foreign currencies aggregating to a value of Rs. 9.34 Lacs. The Accused had issued four cheques in the sum of Rs. 9.34 Lacs which were dishonoured. The Complaint is presently pending before the Metropolitan Magistrate Court at Indore.
8. Erstwhile LKP Forex Limited has filed an FIR against Mr. R. Kumar Sekhar (“Accused”) in Marine Drive Police Station. The said Complaint has been filed under Section 465, 467, 468, 471, 420 and 408 of Indian Penal Code 1860. The Accused was employed as a Regional Manager – West. LKP Forex alleges that during the course of his employment, the Accused submitted several forge and bogus cash memos. The said Complaint is filed against the Accused for Cheating, Forgery and Breach of Trust. No further proceedings have yet taken place.
9. Erstwhile LKP Forex Limited has filed an FIR against Mr. Soumendra Das (“Accused”) in Marine Drive Police Station. The said Complaint has been filed under Section 408 of Indian Penal Code 1860. The Accused was employed with erstwhile LKP Forex, Bhubaneshwar Branch. Erstwhile LKP Forex alleges that during the course of his employment, the Accused was assigned the task of transferring foreign currency note worth Rs. 24 Lacs which were lost by the Accused. Erstwhile LKP Forex further alleged that for personal unlawful gain the Accused has utilized the funds. The said Complaint is filed against the Accused for Cheating, Fraud and Criminal Breach of Trust. No further proceedings have yet taken place.
10. Erstwhile LKP Forex Limited has filed a FIR against Mr. Ramesh Tyadi and others (“Accused”) in Marine Drive Police Station. The said Complaint has been filed under Section 408, 420, 468, 471 and 34 of Indian Penal Code 1860. The Accused was employed with erstwhile LKP Forex, Bhubaneshwar Branch. Erstwhile LKP Forex alleges that during the course of his employment, the Accused had misappropriated the funds of erstwhile LKP Forex, resulting in the losses suffered by erstwhile LKP Forex. The said Complaint is filed against the Accused for Cheating, Fraud, Criminal Conspiracy and Criminal Breach of Trust. No further proceedings have yet taken place.

***FEMA matters against erstwhile LKP Forex (now merged with our Company)***

1. The Directorate of Enforcement (“ED”) has issued Notice dated January 07, 2002 against erstwhile LKP Forex. The ED has alleged that several LERMS (Liberalized Exchange Rate Management System) transactions were undertaken in the name of M/s Lamco Exports & M/s S.G. International Pvt. Limited. ED has asked for furnishing of information and documents for transactions aggregating approx. USD 6,25,000 from October 23, 2000 – November 30, 2000. Thereafter ED had conducted search of the premises of the erstwhile LKP Forex’s Kolkata office on June 27, 2002. Thereafter ED has issued Summons on April 03, 2007 and April 25, 2007 wherein the Company’s officer appeared. The matter is pending.



2. The Directorate of Enforcement (“ED”) has issued Summons dated September 06, 2006 against LKP Forex and conducted search in the LKP Forex’s Kolkata office in order to check and verify the records of transactions of Foreign Exchange and Stock of Currency / Travellers cheques approximately amounting to USD 3,98,285 pertaining to the Sale of Foreign Exchange to M/s. Wesman Thermal Engg. Processes Pvt Ltd. The matter is pending. On September 05, 2008, our Company’s Kolkata office received another notice from the ED asking for a few more documents and details on the transactions covering date of amalgamation of LKP Forex with our Company, certified copies of Merger Agreement, Shareholders’ Agreement, Scheme of Amalgamation, High Court Order, noting of the merger by the RBI & ROC, Names & Addresses of Directors / Manager of LKP Forex Limited during 2005-06 and a statement showing foreign exchange sold by LKP Forex to Wesman Thermal Engineering Process (P) Ltd., Kolkata during the period from June 2005 to February 2006. These documents have been filed with ED.

***Civil Proceedings filed by erstwhile LKP Forex (now merged with our Company)***

1. Erstwhile LKP Forex Limited has filed a suit against Ramesh Tyadi and Others (“Defendants”) before the Court of Civil Judge, Bhubaneswar. The Defendants were employed with erstwhile LKP Forex. While auditing the accounts, erstwhile LKP Forex found discrepancies in cash, books of accounts, sundry debtors, and bank reconciliation. Erstwhile LKP Forex has alleged misappropriation of funds amounting for a sum of Rs. 45.54 Lacs against the Defendants. Erstwhile LKP Forex is claiming the above amount along with the interest of 18% per annum. The Suit is presently pending before the Court of Civil Judge, Bhubaneswar.

***Consumer Proceedings filed against erstwhile LKP Forex (now merged with our Company)***

1. Mr. Ved Prakash Dalmia (“Complainant”) has filed a Consumer Complaint against M/s LKP Forex Limited bearing no.1025/2006 in the District Consumer Disputes Redressal Forum, Jaipur. The Complainant had taken from LKP Forex two International Prepaid Calling Cards bearing batch nos. 97290263 and 97175896 respectively for the purpose of business. The Complainant has alleged deficiency of service against LKP Forex and has claimed a compensation for the sum of Rs. 3.75 Lacs for the losses by the Complainant. The matter is presently pending before the District Consumer Disputes Redressal Forum, Jaipur.
2. Mr. Brahma Prakash Naagar and Others (“Complainants”) have filed a Consumer Complaint bearing no. 562/2003 against SOTC in the District Consumer Disputes Redressal Forum, New Delhi. The Complainants had taken a tour called grand tour of Europe. The Complainants had given two cheques in favour of LKP Forex Limited. The Complainants had to cancel the said tour and had asked for a refund of Rs. 3.20 Lacs after legal deductions, if any, along with interest @18% p.a. and alleged a compensation for the sum of Rs. 0.20 Lacs towards mental and physical harassment caused to the Complainants. The matter is pending before District Consumer Disputes Redressal Forum, New Delhi.
3. Mr. Sanjay Narula (“Complainant”) has filed a Consumer Complaint bearing no. 814/2005 against LKP Forex Ltd. and Others before the District Consumer Disputes Redressal Forum at Chandigarh. The Complainant has filed the present complaint under Section 12 of the Consumer Protection Act, 1986. The Complainant had purchased Traveller’s Cheque amounting to 1500 Euro of American Express Bank Limited from LKP Forex which were lost during the travel. The Complainant filed the Refund Form, but the same was rejected by LKP Forex. The Complainant has filed the present complaint for refund of Rs. 0.82 Lacs along with interest @ 18% and Rs. 1 lac for causing harassment and mental tension. The matter is pending before the District Consumer Disputes Redressal Forum at Chandigarh.

***Litigation filed by shareholders of erstwhile LKP Forex (now merged with our Company)***

1. Mr. Sukhvinder Singh has filed a Consumer Complaint bearing no. 179 of 2007 against erstwhile LKP Forex Limited before the District Consumer Disputes Redressal Forum at Lucknow. The Complainant had alleged to have purchased shares of erstwhile LKP Forex Limited and transferred Rs. 0.68 Lacs in the account of erstwhile LKP Forex Limited. The Complainant further alleged that no share certificates were issued in his favour. The said Complainant has been filed for recovery of Rs. 0.73 Lacs. The Complaint is pending before the District Consumer Disputes Redressal Forum at Lucknow.



### **Labour Litigation against erstwhile LKP Forex (now merged with our Company)**

1. Harshad Shah (“Petitioner”) has filed a petition against erstwhile LKP Forex Limited bearing no. 1566 of 2001 before the Labour Court at Ahmedabad. The Petitioner was an employee of erstwhile LKP Forex. The Petitioner alleged that he was not provided the benefits and allowances as a permanent employee and further alleged his termination as unjust and illegal. The Petitioner has claimed salary from the date of his termination and has further claimed reinstatement of his service. The matter is presently pending before the Labour Court at Ahmedabad.

*Note: The above mentioned disclosures regarding litigations filed by and against erstwhile LKP Forex Limited (since merged with our Company) are based on the disclosures made to our Company pursuant to the Merger Agreement dated August 18, 2006 and matters which have subsequently come to light.*

### **OUTSTANDING LITIGATIONS INVOLVING OUR DIRECTORS:**

#### ***Litigations involving Mr. Madhavan Menon***

##### ***Civil Proceedings***

In civil proceedings no. 2 disclosed under the head “Civil Proceedings initiated against our Company”, our Managing Director has been made a party.

##### ***Consumer Matters***

In consumer matters nos. 11, 13, 14, 15, 17, 18, 22, 24, 31, 34, 35, 39 disclosed under the head “Consumer Matters filed against our Company”, our Managing Director has been made a party.

### **OUTSTANDING LITIGATIONS INVOLVING OUR PROMOTER GROUP COMPANIES:**

**TCG Plc.** - TCG Plc. does not have any material pending litigation matters against it

### **OUTSTANDING LITIGATIONS INVOLVING OUR SUBSIDIARIES:**

#### **I. Travel Corporation (India) Limited**

##### ***Civil Proceedings initiated by TCI***

1. TCI has filed Special Civil Suit against Kamlaben B. Patel and others (“Defendants”) bearing No. 470 of 1994 before the Ld. Civil Judge, at Baroda. The Suit is filed against the Defendants for the Specific Performance of the “Agreement for Sale” dated September 8, 1989 with respect to the Shop nos. 33, 34, 35 and 36 of Alkapuri Shopping Centre. The present suit is filed under Section 53 A of the Transfer of Property Act. TCI has pleaded that Shop nos. 33, 34, 35, and 36 were purchased by TCI from the Defendants. TCI has alleged that the Defendants have tried to run away from the Contract by a specific denial of the performance of the contract. The Suit is presently pending before the Ld. Civil Judge, at Baroda.
2. TCI has filed a Summary Suit against Heritage India Club Limited & Mr. K. K. Khandelwal (“Defendant No. 1 & 2”) bearing No. 2729 of 1998 in High Court at Bombay. TCI has alleged that the Defendant No. 2 misrepresented himself as, would be Chairman of the Board of Governors of India Club and had taken corporate membership fees of Rs. 7.50 Lacs from TCI and also made several trips through bookings with TCI. The matter is filed for recovery of Rs.8.47 Lacs along with the interest of 18% per annum. The matter is pending before High Court at Bombay.
3. TCI has filed a Summary Suit against Ramchander Agarwal, Brahma Agrawal, Kaushal Goel and R. R. Investments (“Defendants No. 1, 2, 3 and 4 respectively”) bearing no. 5486 of 1999 in the High Court, at Bombay. TCI alleged that there was an Agreement entered into between TCI and Defendants no. 1 & 2 for the transfer of Block “A” of Chander Mukhi, Nariman Point, along with 1350 Shares and 105 Debentures of Defendant No. 4. TCI has alleged that the said premise was purchased by them on May 23, 1990 and therefore they were not liable to pay the Municipal Taxes prior to the date of their purchase. However, TCI paid a sum of Rs. 9.21 Lacs being the full payment of Municipal Taxes to Defendant no. 4. TCI through their

Advocates sent a notice to Defendant no. 1 and 2 to make a payment of Rs. 2.14 Lacs arrears of Municipal Taxes paid by TCI for the period prior to their purchase, along with an interest of 24% per annum aggregating to Rs. 4.44 Lacs. The Suit is presently pending before the High Court at Bombay.

4. TCI has filed a Summary Suit against Ramchander & Son, Om Prakash & Sons and R. R. Investments ("Defendant No. 1, 2 and 3 respectively") bearing no. 5550 of 1999 in the High Court, at Bombay. TCI has alleged that there was an Agreement entered into between TCI and Defendants no. 1 & 2 for the transfer of Block "B" of Chander Mukhi, Nariman Point, along with 900 Shares and 80 Debentures of Defendant No. 3. TCI has alleged that the said premise was purchased by them on May 23, 1990. TCI has further alleged that they were not liable to pay the Municipal Taxes prior to the date of their purchase. However, TCI paid a sum of Rs. 9.21 Lacs being the full payment of Municipal Taxes to Defendant no. 3. TCI through their Advocates sent a notice to Defendant no. 1 and 2 to make a payment of Rs. 2.14 Lacs arrears of Municipal Taxes paid by TCI for the period prior to their purchase, along with an interest of 24% per annum aggregating to Rs. 4.44 Lacs. The Suit is presently pending before the High Court, at Bombay.
5. TCI has filed Suit No. 448 of 1999 against Suvidha Travels ("Defendant") in City Civil Court, Ahmedabad for the recovery of sum Rs. 2.0 Lacs. Since orders were passed in the other matter, DRT had auctioned Defendant's Property on 11.11.05. The Suit is presently pending.

#### ***Company Petition instituted by TCI***

1. TCI has filed a Company Petition bearing No. 58 of 2000 against M/s Anusaya Spinners Ltd ("Respondent") before the High Court of Andhra Pradesh, Hyderabad. TCI in its daily course of business had issued Air Tickets to the Respondent. The Respondent had issued a cheque of Rs 0.74 Lacs which was dishonoured. The Honourable High Court vide order dated November 20, 2000 allowed the aforesaid company petition. The Respondent Company was wound up and the Honourable High Court appointed the Official Liquidator and the recovery proceedings were initiated.
2. TCI has filed a Company Petition bearing No. 145 of 2000 against M/s Asia Pacific Exports Ltd ("Respondent") in the High Court of Andhra Pradesh, Hyderabad. TCI in its daily course of business had issued Air Tickets to the Respondent. The Respondent had issued a cheque of Rs. 4.88 Lacs which was dishonoured. The Honourable Court allowed the aforesaid company petition and the company was declared to be wound up. The Honourable Court appointed the official liquidator and the recovery proceedings are initiated.
3. TCI has filed a Company Petition bearing No. 41 of 1998 against M/s Sistla Exporters Ltd ("Respondent") before the Honourable High Court of Andhra Pradesh, Hyderabad. TCI in its daily course of business had issued air tickets to the accused. The Respondent had issued a cheque of Rs 2.59 Lacs which was dishonoured. The Honourable Court allowed the aforesaid company petition. The company was declared to be wound up and the Official Liquidator was appointed. The recovery proceedings have been initiated.

#### **Litigation instituted against TCI:**

##### ***Rent Suits filed against TCI***

1. Niranjan Shah ("Petitioner") has filed a Rent Suit against TCI bearing No. 273 of 1999 in the Small Causes Court, at Vadodara. The said suit has been filed for the recovery of possession of the property situated at Char Rasta, Samir Building, flat at 4<sup>th</sup> Floor ("Premises"). The Petitioner has alleged that TCI had taken the said premises on rental basis from the Petitioner. The Petitioner has further alleged that TCI has not paid the rent of the said premises. The Petitioner in the present petition is claiming the recovery of the said premises along with the rent which has not been paid by TCI. The matter is presently pending before the Small Causes Court, at Vadodara.
2. Mr. Mahendra Patel ("Plaintiff") has filed a Rent Suit against TCI bearing No. 249 of 2000 in the Small Causes Court, at Vadodara. The said suit has been filed for the recovery of possession of the property situated at Char Rasta, Samir Building, ("Premises"). The Plaintiff has alleged that TCI had taken the said premises on rental basis from the Petitioner. The Plaintiff has further alleged that TCI has not paid the rent of the said premises. The Plaintiff in the present suit is claiming the recovery of the said premises along with the rent which has not been paid by TCI. The matter is presently pending before the Small Causes Court at Vadodara.

### ***Criminal proceedings initiated by TCI***

1. TCI has filed a Criminal Complaint bearing no. 5009 of 2005 of against Jaydev Takker and others (“Accused”) before the Additional Metropolitan Magistrate Court at Ahmedabad. The present complaint has been filed under Section 138 read with Section 141 and Section 142 of the Negotiable Instrument Act. TCI in its daily course of business had issued Air and Rail Tickets to the Accused. To clear their liability, the Accused had issued a cheque amounting to Rs.0.73 Lacs which was dishonoured and the present complaint is filed for recovery of Rs.0.73 Lacs. The matter is presently pending before the Metropolitan Magistrate Court at Ahmedabad.
2. TCI has filed a Criminal Complaint bearing No. 27755 of 2001 against Mars International Air Travel Pvt. Ltd. and others (“Accused”) before the Addl. Chief Metropolitan Magistrate Court at Bangalore. The present Complaint is filed under Section 200 of Criminal Procedure Code read with Section 138 of the Negotiable Instrument Act. The Accused had purchased EUROPASS from TCI. The Accused, to clear his liabilities, had issued a cheque for a sum of Rs. 0.64 Lacs, which was dishonoured. The matter is presently pending before the Addl. Chief Metropolitan Magistrate Court at Bangalore.
3. TCI has filed a Criminal Complaint against Sumeet Research & Holdings Pvt. Ltd. and others (“Accused”) bearing No. 8166 of 2005 in the Metropolitan Magistrate Court at Chennai. The present Complaint is filed under Section 200 of Criminal Procedure Code read with Section 138, 141 and 142 of the Negotiable Instrument Act. The Accused had approached TCI and appointed them as their Travel Agents. The Accused requested TCI to make air travel and hotel bookings. The total amount due by the Accused Company was a sum of Rs. 4.67 Lacs. To discharge its liabilities, the Accused issued a cheque for Rs. 1.78 Lacs which was dishonoured. The Complaint is presently pending before the Metropolitan Magistrate Court at Chennai.
4. TCI has filed Criminal Complaint against Ram Bahadur Thakur Limited and others (“Accused”) bearing No. 866 of 2001 in the Metropolitan Magistrate Court, at Ballard Pier under Section 138 and 142 read with section 141 of the Negotiable Instrument Act. The above complaint has been filed as the Accused had booked domestic as well as international air tickets from TCI for a sum of Rs. 2.61 Lacs. The Accused issued three cheques for the total amount of Rs. 2.44 Lacs which were dishonoured and hence the present complaint has been filed. The matter is pending before the Metropolitan Magistrate Court at Ballard Pier.
5. TCI has filed Criminal Complaint against East West Travels and Trade Link Limited and others (“Accused”) bearing No. 2871 of 2005 in the Metropolitan Magistrate Court at Ballard Pier. The present complaint is filed under Section 138 and 142 read with Section 141 of the Negotiable Instrument Act and under Section 420 of Indian Penal Code. The accused had booked Cosmos Tour with TCI and issued a cheque for a sum of Rs. 0.35 Lacs which was dishonoured. The matter is presently pending before the Metropolitan Magistrate Court at Ballard Pier.
6. TCI has filed a Criminal Complaint against Mr. Dhawani Jariwala (“Accused”) bearing No. 4891 of 2006 in the Metropolitan Magistrate Court, Kurla, at Bombay. The above complaint has been filed under Section 138 read with Section 142 of Negotiable Instrument Act. The Accused was deputed to Mastek Limited as ‘implant’ for the purpose of ticketing and providing travel related services to its client. TCI has alleged that the Accused had misappropriated the amount received from Mastek amounting to Rs. 25.00 Lacs. The Accused had admitted his liability towards the repayment of amount misappropriated and issued a cheque which was dishonoured. The present complaint is filed to recover compensation, double the amount of the dishonoured cheque. The matter is pending before the Metropolitan Magistrate Court, Kurla at Bombay.
7. TCI has filed the Criminal Complaint against Mr. Chandrashekhar Prasad Verma (“Accused”) bearing No. 338 of 2002 in the Chief Magistrate Court, Patna. The present complaint has been filed under section 420, 467, 468 and 409 of the Indian Penal Code. The Accused was employed with TCI as an Accountant. TCI has alleged that the Accused had misappropriated funds amounting to Rs. 4.00 Lacs. The matter is pending before the Chief Magistrate, Patna.
8. TCI has filed the Criminal Complaint against Cristopher James Rozario (“Accused”) bearing no. 2105 of 2003 in the Court of Addl. Chief Judicial Magistrate at Ernakulum. The present complaint had been filed under Section 190 of the Code of Criminal Procedure and Section 142 of the Negotiable Instrument Act. The Accused had purchased several air tickets from TCI. The Accused had issued a cheque for a sum of Rs. 4.00

Lacs which was dishonoured and hence the present complaint. The matter is pending before Addl. Chief Judicial Magistrate at Ernakulum.

9. TCI has filed a Criminal Complaint bearing no. 2579 of 1997 against Dilipkumar C. Patel and others ("Accused") before the Metropolitan Magistrate Court at Ahmedabad. The present complaint has been filed under Section 138 of the Negotiable Instrument Act. TCI in its daily course of business had issued Air and Rail Tickets to the Accused. The Accused had issued a cheque amounting to Rs.1.70 Lacs which was dishonoured. The matter is presently pending before the Metropolitan Magistrate Court, at Ahmedabad.
10. TCI had filed a Criminal Complaint against Mr. N. S. Praveen ("Accused") in the Court of Additional Chief Judicial Magistrate at Ernakulam. The complaint was filed under Section 190(1) read with Section 200 of the Code of Criminal Procedure. The Accused hereinabove was working in the capacity of Asst. Manager (Sales) in the Branch Office of TCI at Kochi. The Accused in the above capacity also used to maintain accounts and has been made liable for misappropriation of funds belonging to TCI. The Complaint is presently pending before Police at Ernakulam for investigation.
11. TCI has filed a Criminal Complaint against Incorporated Hotworks Limited ("Accused") in the Court of the Honourable Metropolitan Magistrate Court at Baroda. The present complaint has been filed under Section 138 of Negotiable Instrument Act. TCI in its daily course of business had issued Air and Rail Tickets to the Accused. The Accused had issued four cheques amounting to Rs.1.35 Lacs which were dishonoured and hence the present complaint. The matter is presently pending before the Metropolitan Magistrate Court, at Baroda.
12. TCI has filed a Criminal Complaint against Iqra International Manufacturers & Exporters, Jaunpur, UP ("Accused"), bearing no. 3104 of 2008 before the Additional Chief Judicial Magistrate at Varanasi under Section 138 of the Negotiable Instrument Act for a value of Rs. 0.21 Lacs. The Accused had booked an air ticket through our Company and had issued a cheque bearing no.012412 dated December 12, 2007 which got dishonoured. Hence the Complaint. The complaint is presently pending before the Additional Chief Judicial Magistrate at Varanasi.
13. TCI has filed a Criminal Complaint against Shri Subh Travels and others, Ghazipur, UP ("Accused"), bearing no. 3105 of 2008 and 2156 of 2008 before the Additional Chief Judicial Magistrate at Varanasi under section 138 of Negotiable Instrument Act for a value of Rs. 0.40 Lacs and Rs. 0.77 Lacs respectively. The Accused is in the business of Tour & Travel and has been working as an agent on commission basis for TCI. The Accused has booked an air ticket through TCI on behalf of their clients and had issued a cheque bearing no. 410016 dated June 28, 2007 and a cheque bearing no. 410022 dated July 7, 2007 respectively, which got dishonoured. and hence the complaint. The complaint is presently pending before the Additional Chief Judicial Magistrate at Varanasi.
14. TCI has filed a Criminal Complaint against Mrs. Uzma Khan, Bhadohi, UP ("Accused"), before the Additional Chief Judicial Magistrate at Varanasi under section 138 of Negotiable Instruments Act for a value of Rs. 0.45 Lacs. The Accused had booked air tickets for herself and her family members and had issued a cheque bearing no. 001658 dated November 21, 2007 which got dishonoured and hence the complaint. The Complaint is presently pending before the Additional Chief Judicial Magistrate at Varanasi.
15. TCI has filed a Criminal Complaint against Travel Port, Sagra ("Accused"), bearing no. 1791 of 2008 before the Special Chief Judicial Magistrate at Varanasi under section 138 of Negotiable Instrument Act for a value of Rs. 0.50 Lacs. The Accused had booked air tickets from TCI and had issued a cheque bearing no. 026403 dated April 17, 2006 which got dishonoured and hence the complaint. The Complaint is presently pending before the Special Chief Judicial Magistrate at Varanasi.
16. TCI has filed a Criminal Complaint against Ravi Kant Tiwari ("Accused"), bearing no. 1409 of 2008 before the Judicial Magistrate at Varanasi under sections 406, 408 and 379 of Indian Penal Code. The Accused was working with TCI as Travel Executive and had been booking tickets for the clients. TCI alleges that the Accused has not transferred the amounts recovered from the booked tickets to the TCI accounts. The present complaint is filed for the recovery of an amount Rs. 1.33 Lacs. The complaint is presently pending before the Judicial Magistrate at Varanasi.

17. TCI has filed a Criminal Complaint bearing No. 237 of 1993 against OBC Express (“Accused”) in Additional Metropolitan Magistrate at Ahmedabad for the recovery of the 0.97 Lacs. The Complaint is pending.
18. TCI has filed a Criminal proceeding no. 333 of 2002 in the Court of Additional Chief Metropolitan Magistrate, Mumbai, against Mr. K. K. Khandelwal, under section 406, 409, 420 read with 34 of Indian Penal Code. TCI has alleged that the Accused misrepresented himself as, would be Chairman of the Board of Governors of India Club and had taken corporate membership fees of Rs. 7.50 Lacs from TCI and also made several trips through bookings with TCI amounting to Rs. 0.98 Lacs. The Complaint is presently pending

### ***Consumer Proceedings against TCI***

1. Sumeet Gupta (“Complainant”) has filed a Consumer Complaint against TCI bearing no. 1654 of 2004 before the District Consumer Dispute Redressal Forum, New Delhi. The Complainant had booked a tour of Egypt through TCI. The Complainant has alleged deficiency of services against TCI and has claimed a compensation for a total amount of Rs. 5.20 Lacs. Vide an Order dated May 22, 2008, the District Consumer Dispute Redressal Forum, New Delhi ordered TCI to pay the Complainant a sum of Rs. 4.1 Lacs including the costs incurred for the litigation. TCI has filed an Appeal bearing No. 656 of 2008 before State Consumer Dispute Redressal Forum and the said Appeal is allowed by Order dated September 02, 2008 but subject to deposit of Rs.0.50 Lacs including statutory deposit. The matter is pending before the State Consumer Dispute Redressal Forum, New Delhi.
2. Mr. Basant Seth (“Complainant”) has filed a Consumer Complaint against TCI bearing 458 of 2008 before the District Consumer Dispute Redressal Forum, Lucknow. The Complainant had booked Air ticket from Mumbai to Manila via Bangkok. During his return travel from Manila to Mumbai, he found that his baggage had lost. The baggage contained expensive personal effects and important confidential official papers. The complainant alleged negligence and deficiency of service against TCI and claimed compensation for a total amount of 3.17 Lacs with mental agony and legal charges. The matter is presently pending before the District Consumer Dispute Redressal Forum, Lucknow.

### ***Labour Proceedings against TCI***

1. Mr. Shambhu Mandal (“Petitioner”) filed a Petition against TCI bearing No. 314 of 2006 in Industrial Tribunal- IV, Lucknow. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employed with TCI. The Petitioner has alleged that TCI had dismissed the Petitioner from his work by the order dated September 05, 1990. The Petitioner through this petition has challenged his dismissal. The petition is presently pending before the Labour Court, Lucknow.
2. Jigna S. Kansara (“Petitioner”) had filed a Petition bearing no. 439 of 2000 against TCI in Labour Court, Vadodara. The Petition was filed under Section 2 (A) of Industrial Dispute Act, 1947. The Petitioner was employed with TCI. The Petitioner alleged that TCI had retrenched the Petitioner vide order dated March 12, 1997. The Petitioner has claimed a reinstatement with continuity of service and full wages. TCI in turn had filed an application challenging the jurisdiction of the Court for trying this matter. The Labour Court by the order dated August 13, 2003 had dismissed the said application filed by TCI. Thus TCI has filed a Writ Petition challenging the order passed by the Labour Court and stay for the proceeding at the Labour Court. The Petition is presently pending before the High Court at Gujarat.
3. Workmen Union on behalf of Mrs. Raj Arora (“Complainant”) has filed Complainants against TCI bearing No. 98 and 99 of 2007 before the Assistant Labour Commissioner, New Delhi. The Complainant has alleged that TCI had deducted the National Holidays available to the employees from 18 days to 10 days in the year 2007. The Complainant has challenged the above deduction and is presently pending.
4. Mr. Vijay Shankar Patekar, Mangesh Pandurang Nikam, Kishore Ramchandra Patole, Ramesh Venkatesh Injapuri, Nandu Hari Chhajlane, Santosh Keshave Jagtap (“Complainant”) has filed Complaint against TCI bearing No. 58 of 2008 in II<sup>nd</sup> Labour Court, Pune. The petition was filed under section 28(i) of M.R.T.U & P.U.L.P Act 1971. The Complainant alleged that TCI had adopted unfair Labour practices on the retrenchment of the Complainants. The Complainant had challenged the above retrenchment and asking for the Interim relief and back wages and order as to costs. The Complaint is presently pending before II<sup>nd</sup> Labour Court, Pune.

5. Mr. Anil Kotnala (“Petitioner”) filed a Petition against TCI bearing No. 68 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner has through this petition challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
6. Mrs. Asha Saxena (“Petitioner”) filed a Petition against TCI bearing No. 66 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner through this petition has challenged his retrenchment and claiming for reinstatement in service. The petition is presently ending before the Labour Court, Delhi.
7. Mr. Anil Semwal (“Petitioner”) filed a Petition against TCI bearing No. 64 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner through this petition has challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
8. Mr. Dan Singh Rawat (“Petitioner”) filed a Petition against TCI bearing No. 60 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner through this petition has challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
9. Mr. Janardhan Pattnaik (“Petitioner”) filed a Petition against TCI bearing No. 63 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner through this petition has challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
10. Mr. Jitendra Singh (“Petitioner”) filed a Petition against TCI bearing No. 69 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner has through this petition challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
11. Mr. Mange Ram (“Petitioner”) filed a Petition against TCI bearing No. 58 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner through this petition has challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
12. Mr. Krishan Lal Bhatt (“Petitioner”) filed a Petition against TCI bearing No. 57 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner through this petition has challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
13. Mr. Nand Kishor (“Petitioner”) filed a Petition against TCI bearing No. 61 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner has through this petition challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
14. Mr. Nandan Singh Bisht (“Petitioner”) filed a Petition against TCI bearing No. 67 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner has through this petition challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.

15. Mr. Shankar Prasad (“Petitioner”) filed a Petition against TCI bearing No. 70 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner has through this petition challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
16. Mr. Shiv Kumar Yadav (“Petitioner”) filed a Petition against TCI bearing No. 65 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner has through this petition challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
17. Mr. Udai Ban Singh (“Petitioner”) filed a Petition against TCI bearing No. 62 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner has through this petition challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
18. Mr. Vikram Mhato (“Petitioner”) filed a Petition against TCI bearing No. 57 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner has through this petition challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
19. Mr. A. K. Tiku (“Petitioner”) filed a Petition against TCI bearing No. 54 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner has through this petition challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
20. Mr. Vijay Pal Yadav (“Petitioner”) filed a Petition against TCI bearing No. 53 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner has through this petition challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
21. Mr. Vikram Singh (“Petitioner”) filed a Petition against TCI bearing No. 55 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner has through this petition challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
22. Mr. Kanhaiya P. Chandel (“Petitioner”) filed a Petition against TCI bearing No. 59 of 2008 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. The Petitioner has through this petition challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.
23. Mr. Dev Nath Tiwari (“Employee”) has filed an Industrial Dispute bearing No. 106 of 2007 against TCI in Labour Court, New Delhi. The matter was filed challenging his retrenchment at the age of 55 and seeking extension of his employment till the age of 60. The matter is presently pending in the Labour Court at Delhi.
24. Mr. M. N. Zaiwalla (“Petitioner”) filed a Petition against TCI bearing No. 120 of 2007 in the Labour Court, Delhi. The present petition has been filed under Section 6 of Industrial Dispute Act, 1947. The Petitioner was employee of TCI. The Petitioner submits that TCI had retrenched the Petitioner from his work. At the time of termination, one month’s notice pay retrenchment compensation and leave encashment dues were paid to the Petitioner. The Petitioner has through this petition challenged his retrenchment and claiming for reinstatement in service. The petition is presently pending before the Labour Court, Delhi.



25. Mr. A N Mishra, ("Petitioner") filed a petition against TCI bearing 83/02 of 2002 in Labour Court, Varanasi regarding his termination from service. The workman was terminated after conducting a domestic enquiry related to misappropriation of funds. Award is awaited.
26. Mr. Ravi Kant Tiwari ("Petitioner") filed a petition against TCI bearing PW 71/07 regarding payment of wages. Next date is 6.10.2008 for evidence of employer. Amount of claim is Rs. 1,06,000/- and compensation is 10 times of that amount.
27. Mr. Satyendra Chakravorty, ("Petitioner") filed a petition against TCI bearing PG/08 relating to payment of gratuity for 16 years amounting to Rs. 28,016/- pending in the Labour Court, Varanasi. The next date is 17.10.2008 for filing of rejoinder of worker.
28. Thirty Seven (37) matters have been filed by ex-employees in the category of Drivers, Watchmen, Peons, Telephone Operators, Public Relations Officer ("Petitioners") against TCI before various Labour Courts in India. The said matters are filed challenging their dismissal, retrenchment and also demanding Revised Salary, Ex-Gratia, Leave Travel Concession, Dearness Allowance, etc. The aggregate amount of claims in the said matters is approximately Rs. 12 Lacs. All the matters are presently pending in the respective Labour Courts.

## **INCOME TAX PROCEEDINGS BY AND AGAINST TCI:**

### **I. Orders passed by Assistant Commissioner of Income Tax ("ACIT")**

#### **1. A.Y 2003 – 2004**

ACIT ("Assessing Officer, hereinafter referred to as AO") has passed an order dated March 22, 2006 for the said Assessment Year. The AO under the said Order has disallowed the expenses debited pertaining to prior periods to the said A.Y amounting to Rs. 30.44 lacs, has added back Rs. 0.19 lacs in relation to expenditure incurred for entertainment which was claimed by TCI and expenditure incurred at clubs. The AO has further added back an amount of Rs. 1.30 lacs as these expenses are not incurred for business purposes. The ACIT has issued a Notice of Demand dated March 22, 2006 wherein TCI is not liable for payment of any amount due to brought forward losses.

#### **2. A.Y 2004 – 2005**

ACIT ("Assessing Officer, hereinafter referred to as AO") has passed an order dated August 22, 2006 for the said Assessment Year. The AO under the said Order has added back Rs. 0.05 lacs in relation to expenditure incurred for entertaining the guest which was claimed by TCI and expenditure incurred at clubs. The AO has further added back an amount of Rs. 1.46 lacs as these expenses are not incurred for business purposes. The ACIT has issued a Notice of Demand dated August 22, 2006 wherein TCI is not liable for payment of any amount due to brought forward losses.

### **II. ITAT Appeals filed by Deputy Commissioner of Income Tax ("DCIT")**

#### **1. A.Y 1992 – 1993 & 1993 – 1994**

Deputy Commissioner of Income Tax (hereby referred to as "DCIT") has filed Appeals bearing Appeal Nos. 3990/MUM/2004 and 3991/MUM/2004 before the Income Tax Appellate Tribunal, Mumbai against the combined order dated November 21, 2003 passed by the Commissioner of Income Tax (Appeals), Mumbai ("Assessing Officer, hereinafter referred to as AO") for both the Assessment Years viz 1992 – 1993 and 1993 – 1994. DCIT has filed the said Appeals alleging that the AO has erred in deleting the additions of Rs. 4.70 lacs and Rs. 1.47 lacs made on account of overriding commission for the Assessment Year 1992 – 1993 and 1993 – 1994 respectively. The matter is currently pending before the ITAT, Mumbai.

#### **2. A.Y 1995 – 1996**

DCIT has filed an Appeal bearing Appeal No. 650/M/03 before the Income Tax Appellate Tribunal, Mumbai against the order dated October 29, 2002 passed by the Commissioner of Income Tax (Appeals), Mumbai against the allowance of Rs. 30.14 lacs which was claimed by TCI to be paid in cash to foreign agents as refund in respect of foreign exchange gains a, llowance of Rs. 24.75 lacs being adjustments made against

invoices, allowance of Rs. 40.41 lacs being reinstated value of the outstanding debtors; allowance of Rs. 20.96 lacs being foreign exchange gain realised by TCI against bills of relevant accounting year; allowance of Rs. 9.95 lacs being overriding commission earned by TCI; allowed the deduction of Rs. 87.20 lacs as against Rs.38.78 lacs u/s 80HHD; and considered the receipt of interest of Rs. 36.99 lacs as Income under the head 'Business Income' instead of Income under the head 'Income from Other sources' for the purpose of deduction u/s 80HHD. The matter is currently pending before the ITAT, Mumbai.

3. **A.Y 1996 – 1997**

DCIT has filed an Appeal bearing Appeal No. 651/M/03 before the Income Tax Appellate Tribunal, Mumbai against the order dated October 29, 2002 passed by the Commissioner of Income Tax (Appeals), Mumbai against the allowance of Rs. 26.89 lacs which was claimed by TCI to be paid in cash to foreign agents as refund in respect of foreign exchange gains, allowed the amount of Rs. 44.33 lacs pertaining to adjustments made against invoices, allowance of Rs. 86.72 lacs being reinstated value of the outstanding debtors; allowance of Rs. 85.88 lacs being foreign exchange gain realised by TCI against bills of relevant accounting year; allowance of Rs. 48 lacs being overriding commission earned by TCI; allowed deduction of Rs. 614.05 lacs as against Rs.343.39 lacs u/s 80HHD; and considered the receipt of interest income of Rs. 16.26 lacs as Income under the head 'Business Income' instead of Income under the head 'Income from Other sources' for the purpose of deduction u/s 80HHD. The matter is currently pending before the ITAT, Mumbai.

4. **A.Y 1999 – 2000**

DCIT has filed an Appeal bearing Appeal No. 652/MUM//03 before the Income Tax Appellate Tribunal, Mumbai against the order dated October 29, 2002 passed by the Commissioner of Income Tax (Appeals), Mumbai against the allowance of Rs. 26.10 lacs which was claimed by TCI to be paid in cash to foreign agents as refund in respect of foreign exchange gains; allowance of Rs. 43.79 lacs being adjustments made against invoices, allowance of Rs. 36.18 lacs being reinstated value of the outstanding debtors; allowance of Rs. 19.91 lacs being foreign exchange gain realised by TCI against bills of relevant accounting year; allowance of Rs. 91.48 lacs being overriding commission earned by TCI; allowed deduction of Rs. 567.59 lacs u/s 80HHD; as against 407.95 lacs considered the receipt of interest income of Rs. 90.60 lacs as Income under the head 'Business Income' instead of Income under the head 'Income from Other sources' for the purpose of deduction u/s 80HHD; and allowance of deduction on foreign exchange loss amounting to Rs. 50.10 lacs and disallowed the same as loss on capital account. The matter is currently pending before the ITAT, Mumbai.

5. **A.Y 2000 – 2001**

DCIT has filed an Appeal bearing Appeal No. 3992/MUM/2004 before the Income Tax Appellate Tribunal, Mumbai against the order dated November 21, 2003 passed by the Commissioner of Income Tax (Appeals), Mumbai. DCIT has filed the said Appeal alleging that the AO has erred in not correctly interpreting the provisions of section 80HHD (2) and has held that the amount to be reduced from gross foreign exchange receipts is the amount for which disclaimer certificates are issued in Form No. 10CCAE by TCI i.e. Rs. 3,083.85 lacs plus the amounts for which no certificates are issued by TCI i.e. Rs. 2,827.65 lacs. The matter is currently pending before the ITAT, Mumbai.

6. **A.Y 2001 – 2002**

DCIT has filed an Appeal bearing Appeal No. 7683/M/2004 before the Income Tax Appellate Tribunal, Mumbai against the order dated August 19, 2004 passed by the Commissioner of Income Tax (Appeals), Mumbai alleging that the AO has not correctly interpreted the provisions of section 80HHD by directing the Assistant Commissioner of Income tax ("ACIT") to include the payments which have been passed down to third parties to whom disclaimer certificates in Form No. 10CCAE have not been issued for the purpose of computation u/s 80HHD(2) and at the same time directing the ACIT to exclude from the gross foreign exchange receipts the payments which have been passed down to third parties to whom disclaimer certificates in Form No. 10CCAE have been issued for the purpose of computation u/s 80HHD(2). The matter is currently pending before the ITAT, Mumbai.

### III. ITAT Appeals filed by Assistant Commissioner of Income Tax ("ACIT")

#### 7. A.Y 1997 – 1998

Additional Commissioner of Income-tax (hereinafter referred to as "ACIT") has filed an Appeal bearing Appeal No. 2271/MUM/2001 before the Income Tax Appellate Tribunal, Mumbai against the order dated January 22, 2001 passed by the Commissioner of Income Tax (Appeals), Mumbai against the allowance of Rs. 22.22 lacs being the foreign exchange gains in view of the exchange differences on the outstanding receivables; deletion of Rs. 89.46 lacs which was offered for taxation by TCI being foreign exchange gains relating to earlier years; allowance of Rs. 41.56 lacs being overriding commission; allowance of Rs. 27.99 lacs being the amount of credit balances in the agents ledger; and directed the Joint Commissioner of Income Tax ("JCIT") to reduce the below mentioned amounts from the total receipts of business while computing deduction under section 80HHD:

Sr. No	Particulars	Amount (Rs. Lacs)
1.	Payments to hotels and tour operators	2,622.25
2.	Overriding Commission	41.56
3.	Difference of foreign exchange receipts	22.22
4.	Foreign exchange gains offered by TCI for taxation	89.46
5.	Credit balance in agents ledger	28.99

TCI has filed the Memorandum of Cross objections ("Memorandum") dated January 15, 2002 against the Appeal filed before ITAT by the ACIT. TCI has filed the said Memorandum alleging that the AO has wrongly confirmed the addition of Rs. 15.04 lacs being the undischarged sum made by TCI to be refunded against various claims of the foreign agents, wrongly held that Rs. 15.04 lacs should be included while computing the "Total Receipts" of TCI for the purpose of computing claim under Section 80HHD and levied interest under Section 234B without any specific order being passed by the Department. The matter is currently pending before the ITAT, Mumbai.

#### 8. A.Y 1998 – 1999

ACIT has filed an Appeal bearing Appeal No. 5029/MUM/2001 before the Income Tax Appellate Tribunal, Mumbai against the order dated May 21, 2001 passed by the Commissioner of Income Tax (Appeals), Mumbai against the allowance of Rs. 82.88 lacs being foreign exchange gains in view of exchange differences on the outstanding receivables; allowance of Rs. 33.06 lacs being overriding commission added by the AO; directed that while computing deduction u/s 80HHD, payments which have been made to hoteliers to whom disclaimer certificate in Form No. 10CCA are not issued by TCI should not be deducted; deleted the amount of Rs. 25.28 lacs and Rs. 42.64 lacs being credit balances in ledger account and also for disagreement of basis adopted by assessing officer for calculation u/s 80HHD. The matter is currently pending before the ITAT, Mumbai.

### SERVICE TAX DISPUTES AGAINST TCI:

#### Show Cause Notice

1. TCI has received a Show Cause Notice ("SCN") bearing F.No. C.No.V/ST/37/2008/ 1127 dated April 9, 2008 issued by Assistant Commissioner of Service Tax, Cochin. The said SCN was issued to show cause as to why (i) the difference of abatement should not be paid off since accommodation if summed up with any other service shall constitute a tour package hence an abatement of 60% should be availed and not 90% and (ii) air ticket value when included in the tour arrangement should be treated as part of the Tour Package and the gross value including ticketing cost be considered as taxable value under the Tour Operator Category. TCI has made a detailed submission on September 19, 2008. There is no further proceeding initiated by the Department.
2. TCI has received a Show Cause Notice ("SCN") bearing F.No. C.No.DLI/ST/AE/70/05 / 10670 dated April 17, 2008 issued by Commissioner of Service tax, Delhi whereby a demand of Rs. 194.63 lacs has been raised along with applicable interest and penalty as applicable on outbound tours. The demand has been raised for a



period from September 10, 2004 till September 30, 2007. TCI is in the process of filing its reply to the Service Tax authorities.

## **II. Thomas Cook (Mauritius) Holidays Limited**

### **Claim with Receiver**

United Breweries Limited had made air bookings with Thomas Cook (Mauritius) Holidays Limited (TCMHL). Thereafter, United Breweries Limited filed for Receivership, pursuant to which TCMHL has filed a claim with the Joint Receiver Manager (Kemp Chatteris Deloitte) in Mauritius for recovery of dues amounting to MUR 2.06 Lacs (INR 3.43 Lacs) and the same is pending.



## LICENSES, APPROVALS, REGISTRATIONS AND PERMISSIONS

In view of the approvals listed below, our Company can undertake this Issue and its current business activities and no further material approvals are required from any Government authority to continue such activities. It must, however, be distinctly understood that in granting these consents / licenses / permissions / approvals, the Government does not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed. Our Company has received the following Government approvals/licenses/permissions that are material to its business. Unless otherwise stated, these approvals are all valid as of the date of this Letter of Offer.

### Approvals for the Business

We require various approvals to carry on our business in India. The approvals that we require include the following:

#### A. Incorporation

Certificate of Incorporation No. 20717 of 1978 dated October 21, 1978 issued by the Registrar of Companies, Mumbai located at Everest, 5th Floor, 100, Marine Drive, Mumbai 400 002, Maharashtra, India. The registration number of the Company is 20717 of 1978.

#### B. Approvals from Tax Authorities

The Company's Permanent Account Number is AA ACT4050C and its Tax Deduction Account Number under the I.T. Act is MU MT09251E.

#### C. RBI approvals

Our Company holds an Authorized Dealers AD - Category II license bearing license No. 01/2006 dated May 9, 2006. This license has an on-going validity, unless revoked by the RBI for specific reasons. The said license further stipulates that our Company can carry out activities only at specific locations permitted by RBI and communicated in writing to our Company. As on the date of the Letter of Offer, our Company operates through approximately 110 branches for which necessary approvals and consents to open such branch has been obtained from RBI by our Company.

#### D. IATA Licenses

Our Company has obtained IATA Certificate of Accreditation from International Air Transport Association ("IATA") for its various branches where they promote and sell international air passenger transportation, which are valid till December 31, 2008, as given below:

Location	Registration/ License No.
Mumbai	HO 14-3 0275 0
Hyderabad	BR 14-3 0097 4
Chennai	BR 14-3 0330 6
Pune	BR 14-3 0353 1
Mumbai	BR 14-3 3673 3
Kolkata	BR 14-3 3690 6
New Delhi	BR 14-3 1401 6
Bangalore	BR 14-3 0262 1
Bhubaneshwar	BR 14-3 6644 6
Vadodara	BR 14-3 6582 0
Ahmedabad	BR 14-3 6233 1
New Delhi	BR 14-3 6199 2

Panjim	BR 14-3 5498 1
Hyderabad	BR 14-3 5372 1
Kolkata	BR 14-3 4676 5
Mumbai	BR 14-3 4059 4
Chennai	BR 14-3 5073 3

Licenses of IATA expiring on December 31, 2008 have been applied for renewal.

#### **E. License under Shops and Establishments**

Our Company has obtained Licenses under Shops and Establishment given below for all its branches which is mandatory for every business-conducting establishment.

<b>Sr. No</b>	<b>Issuing Authority</b>	<b>Nature of License/ Approval</b>	<b>Registration/ License No.</b>	<b>Date of granting License/ Approval</b>	<b>Validity / Expiry</b>
1.	Office of the Inspector, Agra	Registration certificate of establishment, (Crystal Tower)	1/619	March 31, 2007	December 31, 2010
2.	Office of the Inspector, Agra	Registration certificate of establishment, (Tourist Area)	42243	July 03, 2005	December 31, 2010
3.	Office of the Inspector, Ahemdabad	Registration certificate of establishment, (Super Mall)	PII/EL/00/0006931	December 30, 1995	One time registration
4.	Office of the Inspector, Ahemdabad	Registration certificate of establishment, (Mardia Plaza)	PII /EL/00/ 0006658	January 17, 2008	January 17, 2009
5.	Office of the Inspector, Ahmedabad	Registration certificate of establishment, (Mani Nagar)	PII/MN/01/0000236	May 31, 2007	December 31, 2009
6.	Office of the Inspector, Amritsar	Registration certificate of establishment, (R. S. Tower)	ASR III/07/15/832	March 15, 2007	31st March 2009
7.	Office of the Inspector, Anand	Registration certificate of establishment, (Maruti Sankalp)	4634/06	May 17, 2007	December 31, 2008
8.	Office of the Inspector, Aurangabad	Registration certificate of establishment, (Mehra Chambers)	112/26438/2007	February 07, 2008	Applied for renewal
9.	Office of the Inspector, Baroda	Registration certificate of establishment, (Landmark)	B 26/2209	September 28, 2005	December 31, 2008
10.	Office of the Inspector, Baroda	Registration certificate of establishment, (Dwarkesh Complex)	B-26-5004	August 10, 2007	December 31, 2008
11.	Office of the Inspector, Bardoli	Registration certificate of establishment, (Millenium Mall)	6449	October 12, 2007	December 31, 2008
12.	Office of the Inspector, Bangalore	Registration certificate of establishment, (Pavillion)	76/VS/3184	May 17, 2008	December 31, 2012
13.	Office of the Inspector, Bangalore	Registration certificate of establishment, (70, M.G.Road)	61/CE/0277	May 17, 2008	December 31, 2012
14.	Office of the Inspector,	Registration certificate of establishment, (Indian	24/VASA/82/0636/99	January 19, 2004	December 31, 2008

Sr. No	Issuing Authority	Nature of License/ Approval	Registration/ License No.	Date of granting License/ Approval	Validity / Expiry
	Bangalore	Institute of Science Campus)			
15.	Office of the Inspector, Bangalore	Registration certificate of establishment, (International Technology Park)	KRP/CE-259/99	March 19, 2004	December 31, 2008
16.	Office of the Inspector, Bangalore	Registration certificate of establishment, (Koramangala)	VA/67/0563/04	November 5, 2004	December 31, 2008
17.	Office of the Inspector, Bhubaneswar	Registration certificate of establishment, (Ashok Nagar)	I - 828	January 01, 2008	December 31, 2008
18.	Office of the Inspector, Bhuj	Registration certificate of establishment, (Luv Kush Apartments)	PII/2390 (10)	December 23, 2006	December 31, 2009
19.	Office of the Inspector, Calicut	Registration certificate of establishment, (Sky Tower)	VI/KIVOPIII	July 16, 2008	December 31, 2008
20.	Office of the Inspector, Cochin	Registration certificate of establishment, (M. G. Road)	VOVII	September 09, 2008	December 31, 2008
21.	Office of the Inspector, Chandigarh	Registration certificate of establishment, (Madhya Marg)	CH/9/99-2000/62	May 2, 2007	March 31, 2009
22.	Office of the Inspector, Dehradun	Registration certificate of establishment, (Rajpur Road,)	D – 1870	February 13, 2007	March 31, 2011
23.	Office of the Inspector, Gurgaon	Registration certificate of establishment, (First India Place, Unit No. 6,)	GGN/7/2007/374	June 5, 2007	March 31, 2010
24.	Office of the Inspector, Gurgaon	Registration certificate of establishment, (Commercial Complex)	G9N/IV/2005/1783	September 8, 2005	Application Pending
25.	Office of the Inspector, Gurgaon	Registration certificate of establishment, (Apparel House)	New Branch. Applied for S & E Licence	Application Pending	Application Pending
26.	Office of the Inspector, Goa	Registration certificate of establishment, (8-Alcon Chambers)	S/I/6425	January 1, 2008	December 31, 2008
27.	Office of the Inspector, Goa	Registration certificate of establishment, (2nd floor, Alcon Chambers)	S/I/6425	January 1, 2008	December 31, 2008
28.	Office of the Inspector, Goa	Registration certificate of establishment, (C/o Brisa Leisure Resort)	S&E/II/MAP– Y2K/176	January 1, 2008	December 31, 2008
29.	Office of the Inspector, Goa	Registration certificate of establishment, (Margao)	S&E/II/MRG/Y2K/283	January 1, 2008	December 31, 2008
30.	Office of the Inspector, Goa	Registration certificate of establishment, (Colva)	Margao/II/8187	January 24, 2006	December 31, 2010
31.	Office of the Inspector, Goa	Registration certificate of establishment, (Palolem)	Margao/II/8166	January 24, 2006	December 31, 2010
32.	Office of the Inspector, Guwahati	Registration certificate of establishment, (Jayant Commerical Complex)	SCA/CE/03/0499	February 2, 2007	December 31, 2008
33.	Office of the Inspector,	Registration certificate of establishment, (Nasir Arcade)	ACL3/HYD/2/1987	January 1, 2008	December 31, 2008

Sr. No	Issuing Authority	Nature of License/ Approval	Registration/ License No.	Date of granting License/ Approval	Validity / Expiry
	Hyderabad				
34.	Office of the Inspector, Hyderabad	Registration certificate of establishment. (Hi-tech City)	LORR I/ 463 / 07	January 1, 2008	December 31, 2008
35.	Office of the Inspector, Indore	Registration certificate of establishment (Yeshwant Niwas Road)	12108/052007/132	April 1, 2008	March 31, 2009
36.	Office of the Inspector, Jaipur	Registration certificate of establishment, (Jaipur Towers)	SH/799/RJ/P108/92	January 10, 2002	One time registration
37.	Office of the Inspector, Jaipur	Registration certificate of establishment, (Sunil Sadan)	SH/243/R - 9IV/P25/98	April 1, 2004	One time registration
38.	Office of the Inspector, Jaipur	Registration certificate of establishment, (Hawa Mahal)	SH/815/R2A/P123/06	April 1, 2002	December 31, 2008
39.	Office of the Inspector, Rajasthan	Registration certificate of establishment, (Jaisalmer, Rana Kothar House)	SH/1355/2000	January 1, 2004	One time Registration
40.	Office of the Inspector, Jalandhar	Registration certificate of establishment, (Alfa Estate)	07/1432	April 9, 2007	March 3, 2009
41.	Office of the Inspector Jamnagar	Registration certificate of establishment, (Shri Dhan Palace)	II – 1401	January 8, 2008	December 31, 2010
42.	Office of the Inspector Jodhpur	Registration certificate of establishment, (Mahaveer Complex Circuit House)	L/1587/2000	January 01, 2004	One time registration
43.	Office of the Inspector Kolkata	Registration certificate of establishment, (Shakespeare Sarani)	234244	November 17, 2007	Applied for renewal
44.	Office of the Inspector Kolkata	Registration certificate of establishment (Salt Lake)	0280	April 13, 2006	Applied for renewal
45.	Office of the Inspector Kolkata	Registration certificate of establishment (Police Station Lake)	L/146314	June 19, 2008	Till 2009
46.	Office of the Inspector Kottayam	Registration certificate of establishment, (Kailash Building)	KI-3751	October 15, 2008	December 31, 2008
47.	Office of the Inspector Leh-Ladakh	Registration certificate of establishment, (Samkar Gonpa Complex)	417/B/Leh	May 27, 2008	March 31, 2010
48.	Office of the Inspector Lucknow	Registration certificate of establishment (Hazratganj)	Lucknow/5/697	March 21, 2005	Till 2009
49.	Office of the Inspector Ludhiana	Registration certificate of establishment, (Feroze Gandhi Market)	5/6655	April 16, 2008	Till 2009
50.	Office of the Inspector Mangalore	Registration certificate of establishment (Ram Bhavan Complex)	13/VS/283	August 9, 2005	December 31, 2009
51	Office of the Inspector	Registration certificate of establishment (Tehsil	D – II/237 (D – D731)	May 9, 2005	May 9, 2009



Sr. No	Issuing Authority	Nature of License/ Approval	Registration/ License No.	Date of granting License/ Approval	Validity / Expiry
	Mcleoudganj	Dharamsala)			
52	Office of the Inspector Mysore	Registration certificate of establishment (Lashkar Mohalla)	80-2/28/090/2007	March 12, 2007	December 31, 2011
53	Office of the Inspector Mumbai	Registration certificate of establishment (Dr. D.N. Road)	A 002126	November 11, 2008	December 31, 2009
54	Office of the Inspector Mumbai	Registration certificate of establishment (Bandra)	HW005814	November 15, 2007	December 31, 2008
55	Office of the Inspector Mumbai	Registration certificate of establishment (Corporate Park, Chembur)	MW-II/002866	December 17, 2007	December 31, 2008
56.	Office of the Inspector Mumbai	Registration certificate of establishment (Colaba)	AO17079	November 5, 2007	December 31, 2008
57	Office of the Inspector Mumbai	Registration certificate of establishment (Nerul)	CE17542	November 29, 2007	December 31, 2010
58	Office of the Inspector Mumbai	Registration certificate of establishment (Powai)	S-II/008016	July 9, 2006	December 31, 2008
59	Office of the Inspector Mumbai	Registration certificate of establishment (Sahar)	KE005991	November 2, 2007	December 31, 2008
60	Office of the Inspector Mumbai	Registration certificate of establishment (Sterling Centre)	KE012712	December 29, 2007	December 31, 2008
61	Office of the Inspector Mumbai	Registration certificate of establishment (Laxmi Plaza)	KW010740	December 16, 2007	December 31, 2008
62	Office of the Inspector, Mumbai	Registration certificate of establishment (SEEPZ)	KE014737	November 12, 2007	December 31, 2008
63	Office of the Inspector, Thane	Registration certificate of establishment	CE -23276	December 1, 2007	December 31, 2010
64	Office of the Inspector, Mumbai	Registration certificate of establishment (Worli)	GS 00 6044	June 11, 2007	December 31, 2008
65	Office of the Inspector, Mumbai	Registration certificate of establishment (Worli Alankar)	GS-II-1012184	March 14, 2007	December 31, 2008
66	Office of the Inspector, Navsari	Registration certificate of establishment	624C	January 15, 2008	December 31, 2008
67	Office of the Inspector, Noida	Registration certificate of establishment (In the name of erstwhile LKP)	35/6097	April 1, 2003	March 31, 2009
68	Office of the Inspector, Patiala	Registration certificate of establishment	PTA/17-A/890/07	June 26, 2007	December 31, 2008
69	Office of the Inspector	Registration certificate of establishment	2004 / 11621	March 31, 2008	March 31, 2009

Sr. No	Issuing Authority	Nature of License/ Approval	Registration/ License No.	Date of granting License/ Approval	Validity / Expiry
	Phagwara				
70	Office of the Inspector Patna	Registration certificate of establishment	PT 61469	November 19, 2007	One time registration
71	Office of the Inspector, Pondicherry	Registration certificate of establishment	5605	March 10, 2008	March 31, 2009
72	Office of the Inspector, Pune	Registration certificate of establishment, (Thacker House)	Pune Camp/II/2194	November 4, 2007	December 31, 2009
73	Office of the Inspector, Pune	Registration certificate of establishment, (Chinchwad)	Chinchwad/II/3451	December 8, 2006	December 31, 2009
74	Office of the Inspector, Pune	Registration certificate of establishment (Gulmohar Apartment)	Pune Camp/II/5580	March 10, 2007	December 31, 2009
75	Office of the Inspector, Pune	Registration certificate of establishment (ICC Trade Tower Deccan)	Shivaji/II/30407	October 13, 2008	October 12, 2009
76	Office of the Inspector Rajkot	Registration certificate of establishment	505	February 22, 2008	Till 2010
77	Office of the Inspector Surat	Registration certificate of establishment	SWZ/C/OR/601635	November 31, 2007	December 31, 2008
78	Office of the Inspector Trivandrum	Registration certificate of establishment (M. G. Road)	THPR1348/00	September 17, 2008	December 31, 2008
79	Office of the Inspector Trivandrum	Registration certificate of establishment (Pournima)	VYR. 28/484 (1)	August 27, 2008	December 31, 2008
80	Office of the Inspector Udaipur	Registration certificate of establishment	97/SH/21	January 1, 2008	December 31, 2008
81	Office of the Inspector Varanasi	Registration certificate of establishment	1350	April 1, 2005	March 31, 2010
82	Office of the Inspector Vijaywada	Registration certificate of establishment	4683/VII	May 26, 2008	December 31, 2008
83	Office of the Inspector Vishakapatnam	Registration certificate of establishment	R.5218/VSPIV	April 19, 2005	December 31, 2008

Licenses of Shops and Establishments expiring on December 31, 2008 and in January, 2009 have been applied for renewal.

### F. Other Licenses and Approvals

Our Company has also obtained other necessary Licenses given below required in the course of the business viz. Service Tax Registrations, AAI Licenses etc, from regulatory authorities.

Sr. No	Issuing Authority	Nature of License/ Approval	Registration/ License No.	Date of granting License/ Approval	Validity
1.	Asst. Commissioner, Service Tax, Div-II, Mumbai	Certificate of registration for payment of service tax on Air Travel, Rail Travel, Transport by Cruise Ship, Sponsorship, Advertising, Credit Card Related Services, Management Consultancy, Tour Operator, Banking and Financial, Business Auxiliary, Intellectual Property, Commercial Training & Coaching, Renting of Immovable Property, And Other Travel Agent's Services	AAACT4050CST010	June 23, 2007	One time registration
2.	Deputy Commissioner, Service Tax, Div - II, Ahmedabad	Certificate of registration for payment of service tax on Air Travel, Rail Travel, Credit Card Related Services, Tour Operator, Banking and Financial, And Business Auxiliary Services	AAACT4050CST025	September 26, 2007	One time registration
3.	Superintendent, Central Excise, Goa	Certificate of registration for payment of service tax on Air Travel, Credit Card Related Services, Tour Operator, Banking and Financial, And Business Auxiliary Services		May 10, 2007	One time registration
4.	Superintendent, Service Tax Range, Indore (M.P.)	Certificate of registration for payment of service tax on Air Travel, Credit Card Related Services, Tour Operator And Banking and Financial Services	AAACT4050CST053	February 01, 2007	One time registration
5.	Deputy Commissioner, Central Excise Pune - III Comm'te, Pune	Certificate of registration for payment of service tax on Air Travel, Rail Travel, Credit Card Related Services, Tour Operator, Banking and Financial, Sponsorship And Business Auxiliary Services	AAACT4050CST038	March 26, 2007	One time registration
6.	Assistant Commissioner, Central Excise Division, Shimla.	Certificate of registration for payment of service tax on Credit Card Related Services, Banking and Financial, And Business Auxiliary Services	AAACT4050CST065	November 19, 2007	One time registration
7.	Deputy Commissioner, Chandigarh	Certificate of registration for payment of service tax on Banking and Financial Services	AAACT4050CST036	March 10, 2005	One time registration

Sr. No	Issuing Authority	Nature of License/ Approval	Registration/ License No.	Date of granting License/ Approval	Validity
8.	Central Excise, Range – II, Chandigarh	Certificate of registration for payment of service tax on Credit Card Related Services, Tour Operator, Banking and Financial, And Business Auxiliary Services	AAACT4050CST023	September 05, 2007	One time registration
9.	Commissioner, Central Excise Comm'te, Kanpur	Certificate of registration for payment of service tax on Credit Card Related Services, Banking and Financial, And Business Auxiliary Services	AAACT4050CST064	August 06, 2007	One time registration
10.	Assistant Commissioner, Central Excise, Dehradun.	Certificate of registration for payment of service tax on Credit Card Related Services And Banking and Financial Services	AAACT4050CST060	April 02, 2007	One time registration
11.	Assistant Commissioner, Central Excise, Jaipur	Certificate of registration for payment of service tax on Credit Card Related Services, Tour Operator, Banking and Financial, And Business Auxiliary Services	AAACT4050CST063	June 26, 2007	One time registration
12.	Assistant Commissioner, Service Tax, Div – II, New Delhi	Certificate of registration for payment of service tax on Air Travel, Rail Travel, Credit Card Related Services, Tour Operator, Banking and Financial, And Business Auxiliary Services	AAACT4050CST045	March 02, 2007	One time registration
13.	Superintendent, Central Excise, Patna	Certificate of registration for payment of service tax on Credit Card Related Services, Banking and Financial, And Business Auxiliary Services	AAACT4050CST066	March 04, 2008	One time registration
14.	Superintendent, Central Excise, Guwahati	Certificate of registration for payment of service tax on Banking and Financial Services	AAACT4050CST001	April 18, 2007	One time registration
15.	Assistant Commissioner, STax Commte, Kolkatta	Certificate of registration for payment of service tax on Air Travel, Rail Travel, Credit Card Related Services, Tour Operator, Banking and Financial, And Business Auxiliary Services	AAACT4050CST058	May 11, 2007	One time registration
16.	Superintendent, Central Excise, Bhubaneshwar.	Certificate of registration for payment of service tax on Air Travel, Credit Card Related Services, Tour Operator, Banking and Financial, And Sponsorship Services	AAACT4050CST055	August 08, 2006	One time registration
17.	Superintendent, Central Excise, Kochi	Certificate of registration for payment of service tax on Air Travel, Credit Card Related	AAACT4050CST037	March 01, 2007	One time registration

Sr. No	Issuing Authority	Nature of License/ Approval	Registration/ License No.	Date of granting License/ Approval	Validity
		Services, Tour Operator, Banking and Financial, And Business Auxiliary Services			
18.	Joint Commissioner, Service Tax Commte, Bangalore	Certificate of registration for payment of service tax on Air Travel, Rail Travel, Credit Card Related Services, Tour Operator, Banking and Financial, And Business Auxiliary Services	AAACT4050CST006	March 29, 2007	One time registration
19.	Superintendent, Service Tax, Group – VIII, Hyderabad	Certificate of registration for payment of service tax on Air Travel, Rail Travel, Credit Card Related Services, Tour Operator, Banking and Financial, And Business Auxiliary Services	AAACT4050CST002	March 21, 2007	One time registration
20.	Superintendent, Service Tax Commte, Chennai.	Certificate of registration for payment of service tax on Credit Card Related Services, Sponsorship, Banking and Financial, And Business Auxiliary Services	AAACT4050CST047	March 05, 2007	One time registration

**G. Licenses issued by Airport Authority of India, Sri Lanka Airport Authority and Government Authority**

Pursuant to License Agreements executed by and between our Company and various Airport Authorities in India, Sri Lanka Airport Authority and Government Authority, our Company has obtained and is operating the following Money exchange counters at the Terminals of various Airports as mentioned below:

Sr. No	Issuing Authority	Date/Term of Agreement	Territory & Location of Counter
1.	Delhi International Airport Private Limited	January 08, 2007 (3 years commencing from October 1, 2006.)	Indira Gandhi International Airport, New Delhi (in Terminal 1A, 1B and Terminal 2)
2.	Delhi International Airport Private Limited	Supplemental Agreement dated May 9, 2007 (commencing from March 01, 2007 till September 30, 2009)	Indira Gandhi International Airport, New Delhi (Terminal 1B – in Transit area and Arrival level Customs hall)
3.	Mumbai International Airport Private Limited	May 12, 2008 (2 years commencing from May 26, 2008)	Chhatrapati Shivaji International Airport, Mumbai (Between stair and escalator facing the duty free shop at Mezz. 2nd Floor of Terminal 2C (grid no.114-115))
4.	Mumbai International Airport Private Limited	May 22, 2008 (2 years commencing from June 22, 2008)	Chhatrapati Shivaji International Airport (At Terminal 2C Departure (between grid no. 103-104))

5.	Airports Authority of India	December 22, 2004 (5 years commencing from July 5, 2004)	Netaji Subhas Chandra Bose International Airport (International Arrival Customs Area)
6.	Bangalore International Airport Limited	January 3, 2008 (3 years commencing from January 3, 2008).	New Bangalore International Airport (Forex Counter at the ground and first floor)
7.	GMR Hyderabad International Airport Limited.	January 28, 2008 (1 year commencing from March 01, 2008)	Hyderabad International Airport (at arrivals Level D Unit No. 218)
8.	Airports Authority of India	February 14, 2008 (5 years commencing from March 8, 2006)	Chennai International Airport (International Departure Transit Area)
9.	Airports Authority of India	February 14, 2008 (5 years commencing from December 30, 2005)	Chennai International Airport (AIT Customs Arrival Inside)
10.	Airports Authority of India	February 14, 2008 (5 years commencing from September 1, 2007)	Chennai International Airport (AIT Customs city side)
11.	Airports Authority of India	February 14, 2008 (5 years commencing from July 14, 2007)	Chennai International Airport (Customs Arrival - Inside)
12.	Airports Authority of India	February 14, 2008 (5 years commencing from December 30, 2005)	Chennai International Airport (International Departure- Check in Area)
13.	Airports Authority of India	February 14, 2008 (5 years commencing from March 8, 2006)	Chennai International Airport (International Departure Terminal Adjacent to Insurance Counter)
14.	Cochin International Airport Limited	March 31, 2003 (6 years and 7.5 months commencing from November 15, 2002)	Cochin International Airport (International Terminal – Arrival Hall)
15.	Cochin International Airport Limited	August 11, 2000 (10 years commencing from July 1, 1999 )	Cochin International Airport (at International Departure, International Arrival – Customs area, Domestic Arrival).
16.	Airports Authority of India	Letter dated November 14, 2008 for 3 months)	Calicut International Airport (at International Terminal – Departure Area)
17.	Airports Authority of India	Allotment letter dated 12 May, 2008 till finalisation of new tender	Calicut International Airport (at International Terminal – Pre-security Hall)
<b>Sri Lanka Airport</b>			
18.	Airport and Aviation Services (Sri Lanka) Limited	January 1, 2007 (2 years commencing from January 1, 2007)	Bandaranaike International Airport, Colombo (at Counter No. 4, Space No. 16, Departure Public, Concourse)
19.	Airport and Aviation Services (Sri Lanka) Limited	March 1, 2007 (3 years commencing from March 1, 2007)	Bandaranaike International Airport, Colombo (at Counter No. 6, Arrival post custom area)
<b>License issued for Delhi Railway Station</b>			

20.	President of India (Represented by Sr. Divisional Commercial Manager, New Delhi)	January 08, 2007 (3 years commencing from January 08, 2007)	New Delhi Railway Station (Ajmeri Gate side)
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#### H. Licenses obtained by our Subsidiaries

The Subsidiary Companies of our Company have obtained Licenses given below for carrying out their current business activities.

Sr. No	Issuing Authority	Nature of License/ Approval	Registration/ License No.	Date of granting License/ Approval	Validity
<b>License obtained by TCISL</b>					
1.	IRDA	Registered as a new agent based on IRDA regulations	441366	February 21, 2008	February 20, 2010
<b>Licenses obtained by TCMOCL</b>					
2.	Governor, Bank of Mauritius	Foreign Exchange Dealer License	04	June 17, 2005	One Time Registration
3.	Government of Mauritius/ Municipality/ District Council	Business Commission Certificate/ Trade Licence	C06023595	December 5, 2006	June 30, 2009
<b>Licenses obtained by TCMTL</b>					
4.	Tourism Authority	Tourist Enterprise License-Travel Agent	00015	July 01, 2007	June 30, 2009
5.	Mauritius Revenue Authority	VAT Certificate	VAT20285864	June 22, 2004	One Time Registration
<b>Licenses obtained by TCMHL</b>					
6.	Tourism Authority	Tourist Enterprise License-Tour Operator	00016	July 01, 2007	June 30, 2009
7.	Tourism Authority	Tourist Enterprise License-Travel Agency	00017	July 01, 2007	June 30, 2009
8.	Mauritius Revenue Authority	VAT Certificate	VAT20285856	October 01, 2005	One Time Registration
<b>License obtained by TCMHCL</b>					
9.	Financial Services Commission	Global Business License	OC94001483	March 16, 2007	December 27, 2008

#### License obtained by TCI

#### IATA Licenses

TCI has obtained IATA Licenses given below for its branches where they promote and sell international air passenger transportation:

Sr. No.	Issuing Authority	Nature of License/ Approval	Registration/ License No.	Validity	Location
1	International Air Transport Association	IATA Certificate of Accreditation	HO 14-3 15162	December 31, 2008	Mumbai
2	International Air Transport Association	IATA Certificate of Accreditation	BR 14-3 5358 1	December 31, 2008	Aurangabad
3	International Air	IATA Certificate of	BR 14-3 0261 0	December 31, 2008	Ahmedabad

	Transport Association	Accreditation			
4	International Air Transport Association	IATA Certificate of Accreditation	BR 14-3 2244 2	December 31, 2008	Baroda
5	International Air Transport Association	IATA Certificate of Accreditation	BR 14-3 4584 4	December 31, 2008	Panjim
6	International Air Transport Association	IATA Certificate of Accreditation	BR 14-3 1966 4	December 31, 2008	Kochi
7	International Air Transport Association	IATA Certificate of Accreditation	BR 14-3 0051 0	December 31, 2008	Hyderabad
8	International Air Transport Association	IATA Certificate of Accreditation	BR 14-3 1662 1	December 31, 2008	Agra
9	International Air Transport Association	IATA Certificate of Accreditation	BR 14-3 1448 4	December 31, 2008	New Delhi
10	International Air Transport Association	IATA Certificate of Accreditation	BR 14-3 3091 2	December 31, 2008	Lucknow
11	International Air Transport Association	IATA Certificate of Accreditation	BR 14-3 4629 0	December 31, 2008	Patna
12	International Air Transport Association	IATA Certificate of Accreditation	BR 14-3 1665 4	December 31, 2008	Pune

All licenses of IATA expiring on December 31, 2008 have been applied for renewal.

#### ***Licenses under Shops and Establishments***

Sr No	Issuing Authority	Nature of License/ Approval	Registration/ License No.	Date of granting License/ Approval	Validity
1	Office of the Inspector, Mumbai	Registration certificate of establishment (NARIMAN PT)	A001960	November 13, 2007	December 31, 2008
2	Office of the Inspector, Agra	Registration certificate of establishment	1/4663	February 15, 2005	Till 2010
3	Office of the Inspector, Ahmedabad	Registration certificate of establishment	PII/EL/00/0000241	February 22, 2008	Till 2010
4	Office of the Inspector, Aurangabad	Registration certificate of establishment	VAS/Aurangabad/5/2266/1989	October 21, 2008	December 31, 2010
5	Office of the Inspector, Baroda	Registration certificate of establishment	B-30/254	February 7, 2008	Till 2010
6	Office of the Inspector, Bangalore	Registration certificate of establishment	61/CE/0150	August 20, 2003	December 31, 2008
7	Office of the Inspector, Gandhinagar	Registration certificate of establishment	2577	January 4, 2007	December 31, 2008
8	Office of the Inspector, Goa	Registration certificate of establishment	CLE/S&E/ACT/I/4813	November 20, 2007	December 31, 2008
9	Office of the Inspector, Hyderabad	Registration certificate of establishment	LO II/HYD/121/02	January 1, 2008	December 31, 2008
10	Office of the	Registration	PT23850(1088-2)	August 26,	One time



Sr No	Issuing Authority	Nature of License/ Approval	Registration/ License No.	Date of granting License/ Approval	Validity
	Inspector, Patna	certificate of establishment		2008	Reg.
11	Office of the Inspector, Pune	Registration certificate of establishment	Station/ II / 3952	December 13, 2006	December 31, 2008
12	Office of the Inspector, Surat	Registration certificate of establishment	CZ/S/1/5436	December 18, 2003	December 31, 2009
13	Office of the Inspector, Udaipur	Registration certificate of establishment	97/SH/21	September 14, 2001s	One time registration

Licenses of Shops and Establishments expiring on December 31, 2008 have been applied for renewal.

### **Service Tax Registrations**

Sr. No	Issuing Authority	Nature of License/ Approval	Registration/ License No.	Date of granting License/ Approval	Validity
1.	Inspector, Service Tax, Ahmedabad	Certificate of registration for payment of service tax on Air Travel Agency services	AAACT6856CST013	April 19, 2007	One time registration
2.	Inspector, Service Tax, Ahmedabad	Certificate of registration for payment of service tax on Rail Travel Agency services	AAACT6856CST015	April 19, 2007	One time registration
3.	Inspector, Service Tax, Ahmedabad	Certificate of registration for payment of service tax for Business Auxiliary Services	AAACT6856CST015	April 19, 2007	One time registration
4.	Inspector, Service Tax, Ahmedabad	Certificate of registration for payment of service tax on Rent-A-Cab Agency services	AAACT6856CST016	April 19, 2007	One time registration
5.	Inspector, Service Tax, Ahmedabad	Certificate of registration for payment of service tax on Business Support Services	AAACT6856CST015	April 19, 2007	One time registration
6.	Inspector, Service Tax, Ahmedabad	Certificate of registration for payment of service tax on Tour Operator Agency services	AAACT6856CST023	April 19, 2007	One time registration
7.	Inspector, Service Tax, Vadodara	Certificate of registration for payment of service tax on Air Travel Agency services	AAACT6856CST012	April 17, 2007	One time registration
8.	Inspector, Service Tax, Vadodara	Certificate of registration for payment of service tax on Rail Travel Agency services	AAACT6856CST012	April 17, 2007	One time registration
9.	Inspector, Service Tax, Vadodara	Certificate of registration for payment of service tax on Rent A Cab Agency services	AAACT6856CST012	April 18, 2007	One time registration
10.	Inspector, Service Tax, Vadodara	Certificate of registration for payment of service tax on Tour operator Services	AAACT6856CST012	April 20, 2007	One time registration
11.	Inspector, Service Tax, Vadodara	Certificate of registration for payment of service tax on Business Auxiliary Services	AAACT6856CST012	April 18, 2007	One time registration
12.	Inspector,	Certificate of registration for	AAACT6856CST012	April 18, 2007	One time

	Service Tax, Vadodara	payment of service tax on Support of Business and Commerce			registration
13.	Inspector, Service Tax, Surat	Certificate of registration for payment of service tax on Tour Operator Agency services (hotel booking, Tour Package), Rent A Cab Operator Services, Air Travel Agency services (International and Domestic Air Bookings), Rail Travel Agency, Business Auxiliary Services	RIV/SRT-1/31/SERVICE TAX/97	November 20, 2006	One time registration
14.	Inspector, Service Tax, Mumbai	Certificate of registration for payment of service tax on Air Travel Agency, Rail Travel Agency services	AAACT6856CST005	October 26, 2006	One time registration
15.	Inspector, Service Tax, Mumbai	Certificate of registration for payment of service tax on Rent A Cab Operator, Business Auxilliary, Business Support & Tour Operator Services	AAACT6856CST005	April 23, 2007	One time registration
16.	Inspector, Service Tax, Agra	Certificate of registration for payment of service tax on Tour Operator , Rail Travel And Air Travel Services	AAACT6856CST024	July 21, 1997	One time registration
17.	Inspector, Service Tax, Agra	Certificate of registration for payment of service tax on Business Auxiliary Services & Business Support Services	AAACT6856CST030	May 31, 2006	One time registration
18.	Inspector, Service Tax, New Delhi	Certificate of registration for payment of service tax on Business Auxiliary Services, Business Support Services, Rail Travel Agency services, Hotel/package Service, Air Travel Agency services	AAACT6856CST029	October 23, 2006	One time registration
19.	Inspector, Service Tax, Jaipur	Certificate of registration for payment of service tax on Air Travel Agency services	07STATAJPR U-98	October 24, 2006	One time registration
20.	Inspector, Service Tax, Jaipur	Certificate of registration for payment of service tax on Business Support Services	05STTOUROPR-JPRU97	October 24, 2006	One time registration
21.	Inspector, Service Tax, Jaipur	Certificate of registration for payment of service tax on Tour Operator services	05STTOUROPR-JPRU97	October 24, 2006	One time registration
22.	Inspector, Service Tax, Jodhpur	Certificate of registration for payment of service tax on Air Travel & Tour Operator Services	AAACT6856GST001	October 19, 2006	One time registration
23.	Inspector, Service Tax, Lucknow	Certificate of registration for payment of service tax on Rail Travel Agency services	AAACT6856CST035	October 9, 2002	One time registration
24.	Inspector, Service Tax, Lucknow	Certificate of registration for payment of service tax on Support of Business Services	AAACT6856CST035	March 29, 2005	One time registration
25.	Inspector, Service Tax, Lucknow	Certificate of registration for payment of service tax on Business Auxiliary Services	AAACT6856CST035	May 17, 2006	One time registration

26.	Inspector, Service Tax, Lucknow	Certificate of registration for payment of service tax on Air Travel Agency services	AAACT6856CST035	January 21, 1997	One time registration
27.	Inspector, Service Tax, Lucknow	Certificate of registration for payment of service tax on Tour Operator	AAACT6856CST035	May 26, 2000	One time registration
28.	Superintendent, Service Tax, Patna	Certificate of registration for payment of service tax on Air Travel, Rail Travel, Tour Operator, Business Support Services	AAACT6856ST004	September 12, 1997	One time registration
29.	Inspector, Service Tax, Varanasi	Certificate of registration for payment of service tax on Air Travel, Tour Operator Services	AAACT6856CST018	October 19, 2006	One time registration
30.	Inspector, Service Tax, Udaipur	Certificate of registration for payment of service tax on Tour Operator, Business Support Services	AAACT6856ST004	October 16, 2006	One time registration
31.	Inspector, Service Tax, Bangalore	Certificate of registration for payment of service tax on Tour Operator services	AAACT6856CST000 9	April 27, 2007	One time registration
32.	Inspector, Service Tax, Bangalore	Certificate of registration for payment of service tax on Air Travel Agency services	AAACT6856CST011 0	April 27, 2007	One time registration
33.	Inspector, Service Tax, Cochin	Certificate of registration for payment of service tax on Tour Operator services	AAACT6856CST014	May 26, 2000	One time registration
34.	Inspector, Service Tax, Cochin	Certificate of registration for payment of service tax on Business Auxiliary Services	AAACT6856CST014	October 18, 2006	One time registration
35.	Inspector, Service Tax, Cochin	Certificate of registration for payment of service tax on Business Support Services	AAACT6856CST014	April 25, 2006	One time registration
36.	Inspector, Service Tax, Cochin	Certificate of registration for payment of service tax on Rail Travel Agency services	AAACT6856CST014	October 18, 2006	One time registration
37.	Inspector, Service Tax, Cochin	Certificate of registration for payment of service tax on Air Travel Services	AAACT6856CST014	October 18, 2006	One time registration
38.	Inspector, Service Tax, Chennai	Certificate of registration for payment of service tax on Air Travel, Rail Travel, Tour Operator & Business Auxiliary Services	AAACT6856CST025	October 24, 2006	One time registration
39.	Inspector, Service Tax, Chennai	Certificate of registration for payment of service tax on Rent A Cab Operator services	AAACT6856CST025	April 24, 2007	One time registration
40.	Inspector, Service Tax, Hyderabad	Certificate of registration for payment of service tax on Air Travel Agency services	AAACT6856CST002	January 31, 2006	One time registration
41.	Inspector, Service Tax, Pune	Certificate of registration for payment of service tax on Air Travel Agency services	AAACT6856CST027	July 1997	One time registration
42.	Inspector, Service Tax, Pune	Certificate of registration for payment of service tax on Business Auxiliary Services	AAACT6856CST027	December 5, 2006	One time registration
43.	Inspector, Service Tax,	Certificate of registration for payment of service tax on Rail	AAACT6856CST027	April 25, 2007	One time registration

	Pune	Travel Agency services			
44.	Inspector, Service Tax, Pune	Certificate of registration for payment of service tax on Business Support Services	AAACT6856CST027	December 29, 2004	One time registration
45.	Inspector, Service Tax, Pune	Certificate of registration for payment of service tax on Tour Operator	AAACT6856CST027	April 25, 2007	One time registration
46.	Inspector, Service Tax, Aurangabad	Certificate of registration for payment of service tax on Tour Operator, Air Travel Agent, Business Support Services	AAACT6856CST011	October 10, 2006	One time registration
47.	Inspector, Service Tax, Goa	Certificate of registration for payment of service tax on Business Support Services	GOA/ST/BSS/2/06-07	October 23, 2006	One time registration
48.	Inspector, Service Tax, Goa	Certificate of registration for payment of service tax on Car Bookings, Hotel Bookings, Rail Bookings and Tour Operator	TOUROPERATOR/PANAJI(GOA)6/97-92	October 23, 2006	One time registration
49.	Inspector, Service Tax, Goa	Certificate of registration for payment of service tax on Business Auxiliary Services	GOA/ST/BAS/375/05-06	October 24, 2006	One time registration
50.	Inspector, Service Tax, Goa	Certificate of registration for payment of service tax on Domestic And International Air Tickets services	AIRTRAVELPANAJI(GOA)13/97-92	October 23, 2006	One time registration



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Eligibility for the Issue

Our Company is an existing company listed on BSE and NSE. Our Company is eligible to offer this Rights Issue in terms of clause 2.4.1 (iv) of the SEBI (DIP) Guidelines.

Our Company has received 'in-principle' approval from BSE and NSE where the Equity Shares offered through this Letter of Offer are proposed to be listed vide letter no. DCS/PREF/DMN/IP-RT/1455/08-09 dated October 29, 2008 and NSE/LIST/90496-Z dated November 17, 2008 respectively.

### Prohibition by SEBI

Neither our Company, nor its Directors or companies with which our Company's Directors are associated with as directors or Promoters or Promoter Group companies or Group companies have been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI. Further, none of the directors or person(s) in control of the Promoters (as applicable) has been prohibited from accessing the capital market under any order or direction passed by SEBI.

### DISCLAIMER CLAUSE

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. LEAD MERCHANT BANKER, AMBIT CORPORATE FINANCE PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER AMBIT CORPORATE FINANCE PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 8, 2008 WHICH READS AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE, IN CONNECTION WITH THE FINALIZATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE SAID RIGHTS ISSUE.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY,**

### WE CONFIRM THAT:

- THE DRAFT LETTER OF OFFER FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
- ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

- **THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS**
3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.**
  4. **WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE.**
  5. **WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.**
  6. **WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.**
  7. **WE UNDERTAKE THAT CLAUSES 4.9.1, 4.9.2, 4.9.3 AND 4.9.4 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE .WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE.**
  8. **WE CERTIFY THAT THE REQUIREMENTS OF PROMOTER'S CONTRIBUTION ARE NOT APPLICABLE TO THE ISSUER COMPANY UNDER CLAUSE 4.10.1(C).**
  9. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
  10. **WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF THE SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE DESIGNATED STOCK EXCHANGE AS MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER NOTE THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SHALL SPECIFICALLY CONTAIN THIS CONDITION.**
  11. **WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE – NOT APPLICABLE.**



**12. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.**

**13. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:**

**(a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY**

**(b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**

**THE FILING OF OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER(S) ANY IRREGULARITIES OR LAPSES IN OFFER DOCUMENT.**

#### **Caution**

The Company, the Lead Manager and the Experts/Advisers accept no responsibility for statements made otherwise than in the Letter of Offer or in the advertisements or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

All information shall be made available by the Lead Manager and the Issuer to the shareholders and no selective or additional information would be made available for a section of the shareholders or investors in any manner whatsoever including at presentations, research or sales reports etc after filing the Letter of Offer with SEBI. In addition to the Lead Manager, the Company is also obliged to update the Letter of Offer and keep the public informed of any material changes till the listing and trading commencement of the Equity Shares offered through this Issue.

#### **Disclaimer with respect to Jurisdiction**

This Letter of Offer has been prepared under the provisions of Indian Law and the applicable rules and regulations there under. The distribution of this Letter of Offer and the offering of the securities on a rights basis to persons in certain jurisdictions outside India may be restricted by the legal requirements prevailing in those jurisdictions. Persons in whose possession this Letter of Offer may come are required to inform themselves about and observe such restrictions. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

#### **Disclaimer Clauses of Bombay Stock Exchange Limited (Designated Stock Exchange)**

Bombay Stock Exchange Limited ("the Exchange") has pursuant to its letter no. DCS/PREF/DMN/IP-RT/1455/08-09 dated October 29, 2008, given its permission to the Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which the Company's securities issued in terms of this Issue are proposed to be listed. The Exchange has scrutinized the Letter of Offer for their limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- (a) warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or
- (b) warrant that the Company's securities will be listed or will continue to be listed on the Exchange; or
- (c) take any responsibility for the financial or other soundness of the Company, its Promoters, its management or any scheme or project of the Company.

and it should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the



Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription or acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **Disclaimer Clause of the NSE**

As required, a copy of this Letter of Offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter no. NSE/LIST/90496-Z dated November 17, 2008 permission to the Issuer to use the Exchange's name in this Letter of Offer as one of the Stock Exchanges on which the Issuer's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Letter of Offer has been cleared or approved by NSE, nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer, nor does it warrant that the Issuer's securities will be listed or will continue to be listed on the Exchange, nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoters, its management or any scheme or project of the Issuer.

Every person who desires to apply for or otherwise acquire any securities of the Issuer may do so pursuant to independent enquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

### **Filing of Letter of Offer**

A copy of this Letter of Offer has been filed with SEBI, SEBI Bhavan, Plot No. C-4A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 for its observation. This Letter of Offer has also been filed with the BSE and NSE. All the legal requirements applicable till the date of filing this Letter of Offer with the Stock Exchanges have been complied with.

A copy of the Letter of Offer, with a copy of the material contracts and documents, would be filed with BSE.

### **Listing**

The existing Equity Shares of our Company are listed on BSE and NSE. Our Company has made applications to the BSE & NSE for permission to deal in and for an official quotation in respect of the Equity Shares being offered in terms of this Letter of Offer.

Our Company has received "in-principle" approval from BSE and NSE by letters no. DCS/PREF/DMN/IP-RT/1455/08-09 dated October 29, 2008 and NSE/LIST/90496-Z dated November 17, 2008 respectively. Our Company will make applications to the stock exchanges for permission to deal in and for an official quotation in respect of the Equity Shares arising from this Issue. If the permission to deal in and for an official quotation of the Equity Shares is not granted by the stock exchanges mentioned above, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Letter of Offer. If such money is not repaid within eight days after our Company becomes liable to repay it (i.e. 15 days after closure of the Issue), then our Company and every director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money, with interest as prescribed under subsections (2) and (2A) of Section 73 of the Act.

### **Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A the Act, which is reproduced below:

#### **"Any person who**

- a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**



**b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”**

### **Consents**

Consents in writing of the Auditors, Lead Manager, Legal Advisors, Registrars to the Issue and Banker to the Issue to act in their respective capacities have been obtained and filed with SEBI, along with a copy of the Letter of Offer and such consents have not been withdrawn up to the time of delivery of this Letter of Offer for registration with the stock exchanges.

The Auditors of our Company have given their written consent for the inclusion of their Report in the form and content as appearing in this Letter of Offer and such consents and reports have not been withdrawn up to the time of delivery of this Letter of Offer for registration with the stock exchanges.

M/s Lovelock & Lewes, statutory auditors have given their written consent for inclusion of income tax benefits in the form and content as appearing in this Letter of Offer, accruing to our Company and its members.

To the best of our Company's knowledge there are no other consents required for making this Issue. However, should the need arise, necessary consents shall be obtained by our Company.

### **Expert Opinion, if any**

No expert opinion has been obtained by our Company.

### **Expenses of the Issue**

The expenses of the Issue payable by our Company include, among others, issue management fees, registrar fees, printing and distribution expenses, auditor fees, legal fees, advertisement expenses, stamp duty, depository charges, SEBI filing fees and listing fees to the stock exchanges. The total expenses for the Issue are 1.18% of the Issue Size and will be met out of the proceeds of the Issue.

### **Fees Payable to the Lead Manager to the Issue**

The fees payable to the Lead Manager to the Issue will be as stated in the Memorandum of Understanding entered into by our Company with Ambit Corporate Finance Private Limited, copy of which is available for inspection at the Registered Office of our Company and reimbursement of their out of pocket expenses.

### **Fees Payable to the Registrars to the Issue**

The fee payable to the Registrars to the Issue is as set out in the relevant documents, copies of which are kept open for inspection at the Registered Office of our Company and reimbursement of their out of pocket expenses.

### **Underwriting commission, brokerage and selling commission**

No Underwriting commission, brokerage and selling commission is payable by our Company for this Issue.

### **Other Expenses of the Issue**

Please refer to the para “Issue Expenses” on page 34 under the section titled “Objects of the Issue” of this Letter of Offer.

### **Companies under the same Management within the meaning of Section 370(1B) of the Act**

Other than the subsidiaries of our Company there are no companies under the same management in India within the meaning of section 370(1B) of the Act. (For details of our subsidiaries refer to page 112 of this Letter of Offer)



## Previous Issues by our Company

Initial public offer:

Our Company issued 2,80,000 equity shares of Rs.10/- each to public for cash at par aggregating to Rs.28 lacs. The issue opened on December 20, 1982 and closed on December 30, 1982. The objects of the issue were to comply with the Government of India's policy of Indianisation of foreign controlled companies under Foreign Exchange Regulation Act, 1973 to expand the business operations of our Company and for repayment of loans. The amounts raised from the issue were applied to the objects of the issue.

Our Company has not made any issue of shares in the last three years.

## Promise versus Performance

No projection was made in the prospectus and the amount raised through initial public offer was utilized for the purposes as disclosed in the prospectus.

## Commission and brokerage on previous issues

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the equity shares since its inception.

## Issue for Consideration Other than Cash

For details please refer to "Capital Structure - Issue for Consideration Other than Cash" on page 21 of this Letter of Offer.

## Option to Subscribe

Other than the present rights Issue, we have not given any person any option to subscribe to the Shares of our Company save and except the options granted to the employees under our Employee Stock Option Scheme 2007. Investors shall have an option either to receive the security certificates or to hold the securities with a depository.

## Outstanding debentures or bonds and redeemable preference shares and other instruments issued by the issuer company

As of date of filing this Letter of Offer, our Company does not have any outstanding Debentures, Bonds or redeemable preference shares except as under:

Particulars	Amount (in Rs.)	Last Date of Conversion / Redemption <sup>^</sup>
1% Cumulative Non Convertible Redeemable Preference Shares of Rs. 10/- each*	1,050,000,000	January 29, 2009
319,765 Class B 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each	3,197,650	December 31, 2013
271,800 Class C 0.001% Cumulative Convertible / Redeemable Preference Shares of Rs. 10/- each	2,718,000	December 31, 2013

\* Proposed to be redeemed out of the issue proceeds.

<sup>^</sup> For further details as regards last date for conversion / redemption and terms of the issue please refer to page 106 of this Letter of Offer.

## Stock Market Data for equity shares of our Company

Our equity shares are listed on the BSE & NSE. The high and low closing prices recorded on the BSE for the preceding three years and the number of equity shares traded on the days the high and low prices were recorded is stated below:

**BSE** (Face value of Re. 1/- each)

Calendar Year	Highest	Lowest	Average	Date		Volume Traded		
				Highest	Lowest	Day of Highest	Day of Lowest	No of shares
2005	699.90	411.30	555.60	13-Dec-05	18-Jan-05	30,616	8,112	1,695,644
2006	829.00	411.00	620.00	2-May-06	15-Jun-06	15,296	2,119	797,116
16,078,233 equity shares of face value of Rs. 10/- per share were sub-divided into 160,782,330 Equity Shares of face value of Re.1/- each on May 21, 2007 pursuant to the resolution passed by the shareholders by way of Postal Ballot on April 28, 2007								
2007	644.15	55.10	59.76*	9-May-07	8-Nov-07	54,564	4,203	18,295,324

Source (www.bseindia.com)

**NSE** (Face value of Re. 1/- each)

Calendar Year	Highest	Lowest	Average	Date		Volume Traded		
				Highest	Lowest	Highest	Lowest	No of Shares
2005	684.00	407.25	545.63	13-Dec-05	20-Jan-05	47,809	4,305	1,851,326
2006	833.00	410.05	621.53	2-May-06	15-Jun-06	2,358	2,358	1,222,699
16,078,233 equity shares of face value of Rs. 10/- per share were sub-divided into 160,782,330 Equity Shares of face value of Re.1/- each on May 21, 2007 pursuant to the resolution passed by the shareholders by way of Postal Ballot on April 28, 2007								
2007	646.8	54.15	59.42*	9-May-07	8-Nov-07	102,641	6,552	25,906,561

Source (www.nseindia.com)

\* Face Value of Re. 1 each

The high and low prices and volume of equity shares traded on the respective dates during the last six months is as follows:

**BSE**

Month	Highest	Lowest	Average	Date		Volume Traded		No of Shares
				Highest	Lowest	Highest	Lowest	
June 08	103.00	69.15	86.08	2-Jun-08	25-Jun-08	99,692	10,022	316,040
July 08	104.45	65.05	84.75	31-Jul-08	7-Jul-08	809,678	57,054	1,151,890
August 08	105.90	79.55	92.73	21-Aug-08	19-Aug-08	1,058,695	8,671	5,284,760
September 08	97.25	66.00	81.63	1-Sept-08	30-Sept-08	182,304	36,083	17,99,455
October 08	75.45	40.05	57.75	1-Oct-08	27-Oct-08	34,412	18,508	3,28,013
November 08	55.05	30.20	47.13	5-Nov-08	24-Nov-08	25,962	24,951	2,59,732

Source (www.bseindia.com)

**NSE**

Month	Highest	Lowest	Average	Date		Volume Traded		No of Shares
				Highest	Lowest	Highest	Lowest	
May 08	105.00	99.05	102.03	20-May-08	12-May-08	1,33,306	35,233	21,09,804
June 08	103.25	69.55	86.40	2-Jun-08	25-Jun-08	1,76,551	21,647	4,66,687
July 08	104.45	65.15	84.80	31-Jul-08	2-Jul-08	14,36,244	8,542	18,57,695
August 08	104.80	78.55	91.68	21-Aug-08	19-Aug-08	16,72,848	16,235	84,44,386
September 08	97.30	66.35	81.83	01-Sept-08	30-Sept-08	3,08,301	57,399	30,12,056
October 08	75.35	39.00	57.18	1-Oct-08	27-Oct-08	53,911	25,013	7,02,644
November 08	55.00	39.50	47.25	3-Nov-08	24-Nov-08	21,398	25,414	3,27,076

Source (www.nseindia.com)



The market price on the BSE & NSE on August 27, 2008 the trading day immediately following August 26, 2008 i.e. the day on which the Board of Directors approved the Issue was:

Opening price: Rs. 86.90/- and Closing price: Rs. 98.85 (BSE)  
 Opening price: Rs. 86.75/- and Closing price: Rs. 99.20(NSE)

The Equity Shares of our Company started trading on ex-rights basis from December 19, 2008 on BSE and NSE. The ex-rights closing price on December 19, 2008 was Rs.48.85 on BSE and Rs.49.05 on NSE.

Except as stated under point no. 11 of notes to capital structure, there have been no transactions in the Company's Equity Shares by the Promoters/Promoter Group, directors of our Company and directors of the Promoters during a period of six months preceding the date of filing of this Letter of Offer with SEBI.

### **Mechanism Involved For Redressal of Investor Grievances**

Investor Grievances and Redressal forms part of the Share Transfer Committee, a committee of Board of Directors constituted for exercising powers for approval of transfer of shares, splitting / consolidation and issue of duplicate share certificates and transmission of shares. Share Transfer is normally affected within a maximum period of 30 days from the date of receipt, if all the required documentation is submitted. All share transfers are approved by the Share Transfer & Shareholders'/ Investors' Grievance Committee which meets every fortnight.

Our Company has also appointed Mr. Rambhau Kenkare, President & Head - Legal & Company Secretary as a Compliance Officer who may be contacted in case of any Pre-Issue/ Post-Issue related problems at [sharedept@in.thomascook.com](mailto:sharedept@in.thomascook.com).

To the best of our knowledge, the name of our Company has not appeared in the Press Release issued by SEBI relating to maximum number of investors complaints received during the last three months. Further, as on December 19, 2008 all the grievances received have been suitably responded and none of the complaints were pending to be responded for a period of more than one month from the date of their receipt.

### **Changes in the Auditors during the last three years**

There has been no change in Statutory Auditors of our Company during the last three years.

### **Capitalisation of reserves or profits**

Our Company has not capitalised any of its reserves or profits for the last five years. However, there have been bonus issues made by us. For details, please refer to the capital structure on page 18 of this Letter of Offer.

### **Revaluation of assets, if any**

There has been no revaluation of our Company's assets during the last five years.

### **Issue Programme**

The subscription list will open at the commencement of banking hours and will close at the closure of banking hours on the date mentioned below or such extended date (subject to maximum of 30 days) as may be determined by the Board of Directors of our Company.

<b>Issue Opens on:</b>	<b>Wednesday, December 31, 2008</b>
<b>Issue Closes on:</b>	<b>Wednesday, January 14, 2009</b>
<b>Last date for receiving request for split forms:</b>	<b>Wednesday, January 7, 2009</b>



## SECTION VII – ISSUE RELATED INFORMATION

The Equity Shares, now being issued, are subject to the terms and conditions contained in this Letter of Offer, the enclosed Composite Application Form (“CAF”), the Memorandum and Articles of Association of our Company, the provisions of the Companies Act, approvals from the RBI, guidelines issued by SEBI, approvals from the Stock Exchanges where Equity Shares of our Company are listed, FEMA, guidelines, notifications and regulations for issue of capital and for listing of securities issued by Government of India and/or other statutory authorities and bodies from time to time, terms and conditions as stipulated in the allotment advice or letter of allotment or security certificate, the provisions of the Depositories Act, to the extent applicable and any other legislative enactments and rules as may be applicable and introduced from time to time.

### Authority for the Issue

This Issue is being made pursuant to the resolution passed by the Board of Directors of our Company at its meeting held on August 26, 2008.

### Basis for the Issue

The Equity Shares are being offered for subscription for cash to those existing equity shareholders whose names appear as beneficial owners as per the list to be furnished by the depositories in respect of the shares held in Electronic Form and on the Register of Members of the Company in respect of shares held in the physical form at the close of business hours on the Record Date, i.e. December 27, 2008 fixed in consultation with BSE, the Designated Stock Exchange.

The Equity Shares are being offered for subscription in the ratio of 35 (Thirty Five) Equity Shares for every 100 (One Hundred) Equity Shares held by the Equity Shareholders on the Record Date.

### Rights Entitlement

As your name appears as beneficial owner in respect of the shares held in electronic form or appears in the Register of Members as an equity shareholder of the Company as on December 27, 2008 (Record Date), you are entitled to the number of shares as disclosed in Block I of Part A of the enclosed CAF.

### Rights Entitlement Ratio

The eligible shareholders shall be entitled to the following:

35 (Thirty Five) Equity shares for every 100 (One Hundred) Equity Shares held on the Record Date.

Rights entitlement on shares held in the pool account of the clearing members on the Record Date shall be considered, and such claimants are requested to:

- a. Approach the concerned depository through the clearing member of the Stock exchange with requisite details; and
- b. Depository in turn should furnish details of the transaction to the Registrar.

Only upon receipt of the aforesaid details, rights entitlement of the claimants shall be determined.

### Principal Terms of the Issue

#### Face Value

Each Equity Share shall have a face value of Re. 1.

#### Issue Price

Each Equity Share is being offered at a price of Rs.35.50 (including a premium of Rs.34.50) for cash.



## **Terms of payment**

Full amount of Rs.35.50 per share is payable on application.

## **Fractional Entitlements**

For Equity Shares being offered on rights basis under this Rights Issue, if the shareholding of any of the Equity Shareholders, as on the Record Date, is not in multiples of 20 (Twenty) Shares, then the fractional entitlement of such Shareholders shall be ignored.

Further, those Equity Shareholders holding less than 3 (Three) Equity Shares and therefore entitled to zero Equity Shares under the Rights Issue shall be dispatched a CAF with zero entitlement. However, they cannot renunciate the same to third parties. CAF with zero entitlement will be non negotiable/non renunciable. Such Equity Shareholders are entitled to apply for additional Equity Shares.

Equity Shareholders whose fractional entitlements are being ignored and those entitled to zero Equity Shares would be given preferential allotment of ONE additional share each if they apply for additional shares as per the Basis of Allotment mentioned on page 302 of this Letter of Offer.

## **Joint-Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-holders with the benefits of survivorship subject to provisions contained in the Articles of Association of the Company.

## **Rights of the Equity Shareholders**

The Equity Shares certificates shall be subject to the Memorandum and Articles of Association of the Company. The Equity Shares allotted in this Issue shall rank pari passu with the existing Equity Shares in all respects including dividend.

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability; and
- Such other rights, as may be available to a shareholder of a listed public Company under the Companies Act and the Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see section titled "Main Provisions of our Articles of Association" on page 311 of this Letter of Offer.

## **Mode of Payment of Dividend**

We shall pay dividend to our shareholders as per the provisions of the Companies Act.

## **Payment of Refund**

Applicants should note that on the basis of name of the applicant, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Composite Application Form, the Registrar to the Issue will obtain from the depositories the applicant's bank account details including nine digit MICR code. Hence, applicants are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to applicant at the applicant's sole risk and neither the Lead Manager nor the Company shall have any responsibility and undertake any liability for the same.

The payment of refund, if any, shall be undertaken in any of the following manners:

1. **NEFT:** Payment of refund shall be undertaken through National Electronic Fund Transfer (NEFT) wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the Demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.
2. **ECS:** Payment of refund would be done through ECS for applicants having an account at any of the 68 centres: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Vishakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. One of the methods for payment of refund is through ECS for applicants having a bank account at any of the abovementioned 68 centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
3. **Direct Credit:** Applicants having bank accounts with the Banker(s) to the Issue / Refund Banker(s), in this case being, HDFC Bank Limited, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Banker(s) to the Issue / Refund Banker(s) for the same would be borne by the Issuer.
4. **RTGS:** Applicants having a bank account at any of the abovementioned centres and whose refund amount exceeds Rs. 5 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Banker(s) to the Issue / Refund Banker(s) for the same would be borne by such applicant opting for RTGS as a mode of refund. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders shall be dispatched under Certificate of Posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the HDFC Bank Limited, and payable at par at the places where applications are accepted. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be borne by the Applicants.

## Notices

All notices to the Equity Shareholder(s) required to be given by the Company shall be published in one English national daily with wide circulation and one Hindi national daily and one regional language daily newspaper and/or, will be sent by ordinary post/ to the registered holders of the Equity Share from time to time.

## Market lot

Since trading of the Company's Equity Shares is in dematerialized form, the tradable lot is one equity share. In case of physical certificates the Company would issue one certificate for the Equity shares allotted to one person

("Consolidated Certificate"). In respect of the Consolidated Certificate, the Company will only upon receipt of a request from the Equity shareholders, split such Consolidated Certificate into smaller denomination within one week's time from the date of the request from the Equity shareholders. No fee would be charged by the Company for splitting the Consolidated Certificate.

### **Nomination facility**

In accordance with Section 109A of the Companies Act, only individuals applying as sole applicants/ joint applicants can nominate, non-individuals including society, trust, body corporate, partnership firm, holder of power of attorney cannot nominate. In accordance with Section 109A of the Companies Act, the sole or first holder, along with other joint holders, may nominate any one person in whom, in the event of the death of sole holder or in case of joint holders, death of all the holders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Company's Registered / Corporate Office or to the Company's Registrar and Transfer Agents. The Applicant can make the nomination by filling in the relevant portion of the CAF. In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, 1956, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

**Only one nomination would be applicable for one folio.** Hence, in case the Equity Shareholder(s) has already registered the nomination with the Company, no further nomination needs to be made for Equity Shares to be allotted in this Issue under the same folio.

**In case the allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with respective DP of the applicant would prevail. If the applicant requires changing the nomination, they are requested to inform their respective DP.**

### **Odd Lots**

The Equity Shares would be traded in dematerialised form and the minimum trading lot for Equity Shares will be one Equity Share. Therefore there would not be any odd lots generated at the time of allotment.

### **Further issue / secured borrowings/ bonus issue / rights issue**

The Company shall be entitled, from time to time, to make further issue(s) of Equity Shares, bonds and/ or other instruments to the public, members of the Company and/ or any other person(s) and/ or raise further loans, advances, deferred credit and/ or avail of further financial and/ or guarantee non-fund based facilities from financial institutions, banks and/ or any other person(s) on the security of the said properties/ assets as may be decided by the Company, from time to time, and having such ranking and on such terms and conditions as may be agreed to by the Company.



## **Offer to Non-Resident Equity Shareholders/Applicants**

Applications received from NRIs and other NR shareholders for allotment of Equity Shares shall be, inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of application moneys, allotment of Equity Shares, issue of Letter of Allotment / share certificates, payment of interest, dividends, etc. General permission has been granted to any person resident outside India to apply shares offered on rights basis by an Indian Company in terms of FEMA and the rules and regulations thereunder. Vide Notification No. FEMA 20 /2000-RB dated May 3, 2000 as amended by notification dated June 18, 2003, bearing number FEMA 94/2003, RBI has granted general permission to Indian companies to issue rights/bonus shares to existing non-resident shareholders. The existing non-resident shareholders may apply for issue of additional shares and the Company may allot the same subject to the condition that the overall issue of shares to non-residents in the total paid up capital does not exceed the sectoral cap. In other words, non-residents may subscribe for additional shares over and above shares offered on rights basis by the Company and renounce the shares offered in full or part thereof in favour of a person named by them. NR shareholders are requested to refer to the paragraph titled "Renunciation" for the approvals required from FIPB / RBI for renunciation. Non-Residents may subscribe for additional shares over and above the shares offered on rights basis by the Company and also renounce the shares offered either in full or part thereof in favour of a person named by them. The Equity Shares issued under the Rights Issue and purchased by NR shall be subject to the same conditions including restrictions in regard to the repatriability as are applicable to the previously held Equity Shares against which Equity Shares under the Rights Issue are issued. However, as per the provisions of AP (DIR) circular No. 14 dated September 16, 2003 (issued by the RBI), such shareholders who have been allotted the Equity Shares as OCBs would not be permitted to participate in the Rights Issue. Accordingly, shareholders/ applicants who are OCBs and wishing to participate in the Rights Issue would be required to submit approvals in relation thereto from the FIPB and the RBI. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Equity Shares, payment of dividend etc. to the Equity Shareholders who are NR. Accordingly, the existing Equity Shareholders of the Company who do not wish to subscribe to the Equity Shares being offered but wish to renounce the same in favour of renounees shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated nonresident entities. Thus, OCBs desiring to participate in this Issue must obtain prior approval from the RBI. On providing such approval to the Company at its registered office, the OCB shall receive the Letter of Offer and the CAF.

Letter of Offer and CAF shall be dispatched to non-resident Equity Shareholders in India only. In case the registered address of non-resident Equity Shareholders is not in India, the Letter of Offer and CAF shall be dispatched, to the address in India, supplied by such non-resident Equity Shareholders to the Company.

### ***Procedure for Application***

The CAF would be mailed to all the shareholders, with an additional, separate advice for non-resident shareholders. In case the original CAF is not received by the applicant or is misplaced by the applicant, the applicant may request the Registrars to the Issue for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. Non-resident shareholders can obtain a copy of the CAF from the Registrars to the Issue by furnishing the registered folio number, DP ID number, Client ID number and their full name and address.

### **Acceptance of the Issue**

You may accept the Issue and apply for the Equity Shares offered, either in full or in part by filling Part A of the enclosed CAF and submit the same along with the Application Money payable to the Bankers to the Issue at any of the branches as mentioned on the reverse of the CAF before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board or a committee authorized by the Board thereof in this regard. Applicants at centers not covered by the branches of collecting banks can send their CAF together with the cheque drawn on a local bank at Mumbai or a demand draft payable at Mumbai, for an amount net of bank and postal charges, to the Registrar to the Issue by registered post. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected.

## Options available to the Equity Shareholders

The CAF clearly indicates the number of Equity Shares that the Equity Shareholder is entitled to.

If the Equity Shareholder applies, then he can:

- Apply for his entitlement in part; or
- Apply for his entitlement in part and renounce the other part; or
- Apply for his entitlement in full; or
- Apply for his entitlement in full and apply for additional Equity Shares; or
- Renounce his entitlement in full to one or more than one person.

## Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above the number of Equity Shares you are entitled to, provided that you have applied for all the Equity Shares offered without renouncing them in whole or in part in favor of any other person(s). The application for additional Equity Shares shall be considered and allotment shall be made at the absolute discretion of the Board or the Committee of Directors.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional shares in Part A of the CAF. Applications for additional Equity Shares shall be considered and allotment shall be in the manner prescribed under the section titled 'Basis of Allotment' on page 302 of this Letter of Offer. The renounees applying for all the Equity Shares renounced in their favor may also apply for additional Equity Shares.

In case of change of status of holders i.e. from Resident to Non-Resident, a new demat account shall be opened for the purpose.

Where the number of additional Equity Shares applied for exceeds the number available for allotment, the allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange (BSE).

## Renunciation

This Issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favour of any other person or persons. Such renounees can only be Indian Nationals (including minor through their natural/legal guardian)/limited companies incorporated under and governed by the Act, statutory corporations/institutions, trusts (registered under the Indian Trust Act), societies (registered under the Societies Registration Act, 1860 or any other applicable laws) provided that such trust/society is authorised under its constitution/bye laws to hold equity shares in a company and cannot be a partnership firm, foreign nationals or nominees of any of them (unless approved by RBI or other relevant authorities) or more than three persons including joint-holders HUF, any person situated or having jurisdiction where the offering in terms of this Letter of Offer could be illegal or require compliance with securities laws of such jurisdiction or any other persons not approved by the Board.

Any renunciation from Resident Indian Shareholder(s) to Non-Resident Indian(s) or from Non-Resident Indian Shareholder(s) to other Non-Resident Indian(s) or from Non-Resident Indian Shareholder(s) to Resident Indian(s) is subject to the renouncer(s)/renounee(s) obtaining the approval of the FIPB and/ or necessary permission of the RBI under the Foreign Exchange Management Act, 1999 (FEMA) and other applicable laws and such permissions should be attached to the CAF. **Applications not accompanied by the aforesaid approval are liable to be rejected.**

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the existing Equity Shareholders of the Company who do not wish to subscribe to the Equity Shares being offered but wish to renounce the same in favour of renounees shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under



the adverse notice of the RBI are permitted to undertake fresh investments as incorporated nonresident entities. Thus, OCBs desiring to participate in this Issue must obtain prior approval from the RBI. On providing such approval to the Company at its registered office, the OCB shall receive the Letter of Offer and the CAF.

Your attention is drawn to the fact that the Company shall not allot and/or register any Equity Shares in favor of:

- More than three persons including joint holders
- Partnership firm(s)
- Minors (unless guardian appointed)
- Hindu Undivided Family
- Any Trust or Society (unless the same is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its Constitutions to hold Equity Shares of a Company)

Part A of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the enclosed CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part B of the CAF) duly filled in shall be conclusive evidence for the Company of the person(s) applying for Equity Shares in Part C to receive allotment of such Equity Shares. The renounees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares. Part 'A' must not be used by the renounee(s) as this will render the application invalid. Renounee(s) will also have no further right to renounce any shares in favour of any other person. Renouner will not be entitled to apply for additional Equity Shares.

#### **Procedure for Renunciation**

##### ***(a) To renounce the whole offer in favour of one renounee***

If you wish to renounce the offer indicated in Part A, in whole, please complete Part B of the CAF. In case of joint holding, all joint holders must sign Part B of the CAF. The person in whose favor renunciation has been made should complete and sign Part C of the CAF. In case of joint renounees, all joint renounees must sign this part of the CAF.

##### ***(b) To renounce in part/or renounce the whole to more than one person(s)***

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer in favour of two or more renounees, the CAF must be first split into requisite number of forms.

Please indicate your requirement of split forms in the space provided for this purpose in Part D of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on January 7, 2009. On receipt of the required number of split forms from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Equity Shareholder(s), who has renounced the Equity Shares, does not agree with the specimen registered with the Company, the application is liable to be rejected.

##### ***(c) Renounee(s)***

The person(s) in whose favour the Equity Shares are renounced should fill in and sign Part C of the Composite Application Form and submit the entire Composite Application Form to the Bankers to the Issue on or before the Issue Closing Date along with the application money.

#### **Please note that:**

- a. Part A of the CAF must not be used by any person(s) other than the Equity Shareholder to whom this Letter of Offer has been addressed. If used, this will render the application invalid.
- b. Request by the applicant for the split application form should reach our Company on or before January 7, 2009.
- c. Only the Equity Shareholder to whom this Letter of Offer has been addressed shall be entitled to renounce and to apply for split application forms. Forms once split cannot be split further.
- d. Split form(s) will be sent to the applicants(s) by post at the applicant's risk.

**(d) Change and or introduction of additional holders**

If you wish to apply for Equity Shares jointly with any other person(s), not more than three, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

**Splitting of Composite Application Forms**

Only the person to whom this Letter of Offer has been addressed to and not the renounee(s) shall be entitled to renounce and to apply for split application forms. Request for split forms should be sent to the Registrars to the Issue, before the closure of business hours on or before January 7, 2009 by filling in Part D of the CAF along with entire CAF. Split Forms cannot be re-split. The renounee(s) shall not be entitled to split form(s). Split forms shall be sent to the applicant by post at the applicant's risk. Requests for Split forms should be made for Equity Shares in multiples of 1 only. Requests for split forms will be entertained only once

**How to Apply**

***Resident Equity Shareholders***

Applications should be made on the enclosed CAF provided by the Company. The enclosed CAF should be completed in all respects, as explained in the instructions indicated in the CAF. Applications will not be accepted by the Lead Manager or by the Registrar to the Issue or by the Company at any offices except in the case of postal applications as per instructions given on page 293 in the Letter of Offer.

The CAF consists of four parts:

- Part A: Form for accepting the Equity Shares offered and for applying for additional Equity Shares
- Part B: Form for renunciation
- Part C: Form for application for renounees
- Part D: Form for request for split application forms

***Non-resident Equity Shareholders***

As per Regulation 6 of Notification No. FEMA 20/200-RB dated May 3, 2000, the RBI has given general permission to Indian companies to issue rights shares to non-resident shareholders including additional shares. Applications received from NRIs and non-residents for allotment of Equity Shares shall be *inter alia*, subject to the conditions imposed from time to time by the RBI under the Foreign Exchange Management Act, 1999 (FEMA) in the matter of refund of application moneys, allotment of Equity Shares, issue of letter of allotment / notification No. FEMA 20/200-RB dated May 3, 2000. The rights shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriability as are applicable to the existing Equity Shares against which the new Equity Shares are issued pursuant to this Issue.

By virtue of Circular No. 14 dated September 16, 2003 issued by the RBI, overseas corporate bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Further, the RBI in its Master Circular dated July 1, 2007 has stated that OCBs are not permitted to subscribe to equity shares of Indian companies on rights basis under the automatic route. OCBs shall not be eligible to subscribe to the Equity Shares pursuant to this Letter of Offer unless they obtain the prior approval of the RBI in this regard. Thus, OCBs desirous of participating in this Issue must obtain prior approval from the RBI. On providing such approval to our Company at its registered office, the OCB shall be entitled to receive the Letter of Offer and the CAF.

Letter of offer and CAF shall be dispatched to non-resident Equity Shareholders in India only. In case the registered address of the non-resident equity shareholders is not in India, the Letter of Offer and the CAF shall be dispatched to the Indian addresses supplied by the non-resident equity shareholders to the Company.

## Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Applications received from the Non-Resident Equity Shareholders for the allotment of Equity Shares shall, *inter alia*, be subject to the conditions as may be imposed from time to time by the RBI, in the matter of refund of application moneys, allotment of Equity Shares, issue of letters of allotment/ certificates/ payment of dividends etc. Export of letters of allotment (if any)/ share certificates/ demat credit to non-resident allottees will be subject to the approval of RBI. Letter of Offer and CAF shall be dispatched to non-resident Equity Shareholders in India only.

The summary of options available to the Equity Shareholder is presented below. You may exercise any of the following options with regard to the Equity Shares offered, using the enclosed CAF:

<b>Option</b>	<b>Option Available</b>	<b>Action Required</b>
A.	Accept whole of your entitlement without renouncing the balance.	Fill in and sign Part A of the CAF (All joint holders must sign)
B.	Accept your entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (All joint holders must sign)
C.	Accept only a part of your entitlement of the Equity Shares offered to you (without renouncing the balance)	Fill and sign Part A of the CAF (All joint holders must sign)
D.	Renounce your entitlement in full to one person (Joint renounees not exceeding three are considered as one renounee).	Fill in and sign Part B (all joint holders must sign) indicating the number of Equity Shares renounced and hand over the entire CAF to the renounee. The renounees must fill in and sign Part C of the CAF (All joint renounees must sign)
E.	Accept a part of your entitlement and renounce the balance or part of it to one or more renounee(s) (Joint renounees are deemed as one person)	Fill in and sign Part D (all joint holders must sign) requesting for Split Application Forms. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for Split Forms. Splitting will be permitted only once. On receipt of the Split Form take action as indicated below. (i) For the Equity Shares you wish to accept, if any, fill in and sign Part A of one split CAF. (ii) For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand over the split CAFs to the renounees. (iii) Each of the renounees should fill in and sign Part C for the Equity Shares accepted by them. (iv) Send the entire CAF to the Registrar to the Issue
F.	Renounce your entitlement to all the Equity Shares offered to you or part of it to more than one renounee(s) (Joint renounees are deemed as one person).	Follow the procedure stated in (E) above for obtaining the required number of Split Application Forms and on receipt of Split Application Forms follow the procedure as stated in (E) (ii), (iii) and (iv) above
G.	Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the renounees must fill in and sign Part C.

Applications for Equity Share should be made only on the CAF, which are provided by the Company. The CAF should be completed in all respects as explained under the head "INSTRUCTIONS" indicated on the reverse of the CAF before submission to the Banker to the Issue at its collecting branches mentioned on the reverse of the CAF on or before the closure of the subscription list. Non Resident Shareholders/Renouncee should forward their applications to Banker to the Issue as mentioned in the CAF for Non-Resident Equity Share-holders. No part of the CAF should be detached under any circumstances otherwise the application is liable to be rejected. Applicants must provide information in the CAF as to their savings / current / NRE / NRO / FCNR bank account and the name of the bank with whom such account is held to enable the Registrar to print the said details in the refund orders after the name of the payees.

Shareholders cannot utilise both Part A and Part B simultaneously i.e. accepting the offer as well as renouncing the offer. If all the parts are filled in, in that case, the allotments will be made under Part B and C i.e. to the renouncee only and the entry in Part A shall be ignored. Please check the number of shares registered in your name. In case of any discrepancy in the number of shares held by you as appearing in the CAF, the Company shall be entitled to amend the same on the basis of the entry in the Register of Members and the information provided by the Depositories.

***For applicants residing at places other than designated Bank collecting branches.***

- (i) Applicants residing at places other than the cities where the Bank collection centres have been opened should send their completed CAF by registered post/speed post to the Registrars to the Issue, TSR Darashaw Limited, along with bank drafts payable at Mumbai in favour of "**TCIL - Rights Issue**" crossed "A/c Payee only" so that the same are received on or before the Issue Closing Date.
- (ii) The Company will not be liable for any postal delays and applications received through mail after the Issue Closing Date, are liable to be rejected and returned to the applicants. Applications by mail should not be sent in any other manner except as mentioned below. The date of mailing by the applicant and / or the date of Demand Draft / Banker's Cheque will not be the criteria for acceptance.
- (iii) All application forms duly completed together with cash/ cheque/demand draft for the application money net of banking and postal charges must be submitted before the close of the subscription list to the Bankers to the Issue named herein or to any of its branches mentioned on the reverse of the CAF. The CAF along with application money must not be sent to the Company or the Lead Manager to the Issue or the Registrars to the Issue except as mentioned above.
- (iv) The applicants are requested to strictly adhere to these instructions. Failure to do so could result in the application being liable to be rejected with the Company, the Lead Manager and the Registrars not having any liabilities to such applicants.

***Availability of duplicate CAF***

In case the original CAF is not received, or is misplaced by the applicant, the Registrar to the Issue will issue a duplicate CAF on the request of the applicant who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue by January 7, 2009. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. Thus in case the original and duplicate CAFs are lodged for subscription, allotment will be made on the basis of the duplicate CAF and the original CAF will be ignored.

## ***Procedure for Application through the Applications Supported by Blocked Amount ("ASBA") Process***

This section is for the information of Equity Shareholders proposing to subscribe to the Issue through the ASBA Process. The Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Equity Shareholders who are eligible to apply under the ASBA Process are advised to make their independent investigations and ensure that the number of Equity Shares applied for by such Equity Shareholders do not exceed the applicable limits under laws or regulations. Equity Shareholders applying under the ASBA Process are also advised to ensure that the CAF is correctly filled up, stating therein the bank account number maintained with the SCSB in which an amount equivalent to the amount payable on application as stated in the CAF will be blocked by the SCSB.

The list of banks who have been notified by SEBI to act as SCSB for the ASBA Process are provided on <http://www.sebi.gov.in/pmd/scsb.html>. For details on designated branches of SCSB collecting the CAF, please refer the above mentioned SEBI link.

### ***Equity Shareholders who are eligible to apply under the ASBA Process***

The option of applying for Equity Shares in the Issue through the ASBA Process is only available to Equity Shareholders of the Company on the Record Date. Equity Shareholders who:

- is holding Equity Shares in dematerialised form and has applied towards his/her/ their rights entitlements or additional securities in the Issue in dematerialised form;
- has not renounced his /her/ their entitlements in full or in part;
- has not split the CAF;
- is not making an application on plain paper;
- is not a Renouncee;
- applies through a bank account with one of the SCSBs,
- is a resident shareholder.

### **CAF**

The Registrar will despatch the CAF to all Equity Shareholders as per their entitlement on the Record Date for the Issue. Those Equity Shareholders who wish to apply through the ASBA payment mechanism, will have to select for this mechanism in Part A of the CAF and provide necessary details.

Equity Shareholders desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSB who provides such facility. The method of applying under ASBA process will not be available for Investors applying on plain paper. The Equity Shareholder shall submit the CAF to the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB.

### **Acceptance of the Issue**

The Equity Shareholder may accept the Issue and apply for the Equity Shares offered, either in full or in part, by filling Part A of the CAF sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of the Company in this regard.

### **Mode of payment**

The Equity Shareholder applying under the ASBA Process agrees to block the entire amount payable on application (including for additional Equity Shares, if any) with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in a bank account maintained with the SCSB.

After verifying that sufficient funds are available in the bank account provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from

the Registrars. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per Registrar's instruction allocable to the Equity Shareholders applying under the ASBA Process from bank account with the SCSB mentioned by the Equity Shareholder in the CAF. This amount will be transferred in terms of the SEBI (DIP) Guidelines, into the separate bank account maintained by the Company as per the provisions of section 73(3) of the Companies Act, 1956. The balance amount remaining after the finalisation of the basis of allotment shall be either unblocked by the SCSBs or refunded to the investors by the Registrar on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Managers to the respective SCSB.

The Equity Shareholders applying under the ASBA Process would be required to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the bank account with the SCSB, details of which have been provided by the Equity Shareholder in the CAF, does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, the Company would have a right to reject the application only on technical grounds.

### **Options available to the Equity Shareholders applying under the ASBA Process**

The summary of options available to the Equity Shareholders is presented below. The Equity Shareholder may exercise any of the following options with regard to the Equity Shares offered, using the respective CAFs received from Registrar:

<b>No.</b>	<b>Options Available</b>	<b>Action Required</b>
1.	Accept whole or part of your entitlement without renouncing the balance.	Fill in and sign Part A of the CAF ( <i>All joint holders must sign</i> ).
2.	Accept your entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares ( <i>All joint holders must sign</i> )

**The Equity Shareholder(s) applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the SCSB with the relevant details required under the ASBA process option and SCSB blocks the requisite amount, then that CAF would be treated as if the Equity Shareholder has selected to apply through the ASBA process option.**

### **Additional Equity Shares**

The Equity Shareholder is eligible to apply for additional Equity Shares over and above the number of Equity Shares that he is entitled to, provided that he has applied for all the Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under "Basis of Allotment" on page 302 of this Letter of Offer.

If a Shareholder desires to apply for additional Equity Shares, he should indicate his requirement in the place provided for additional securities in Part A of the CAF.

### **Renunciation under the ASBA Process**

Renounees cannot participate in the ASBA Process.

### **Application on Plain Paper**

Applications on plain paper cannot be made by Equity Shareholders availing of the ASBA Process.



## **Last date of Application**

The last date for submission of the duly filled in CAF is January 14, 2009. The Issue will be kept open for a minimum of 15 (fifteen) days and the Board or any committee thereof will have the right to extend the said date for such period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Banker to the Issue/Registrar to the Issue or if the CAF is not received by the SCSB on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/Committee of Directors, the offer contained in this Letter of Offer shall be deemed to have been declined and the Board/Committee of Directors shall be at liberty to dispose off the Equity Shares hereby offered, as provided under "Basis of Allotment" below.

## **Option to receive securities in Dematerialized Form**

**EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE EQUITY SHARES OF THE COMPANY UNDER THE ASBA PROCESS CAN ONLY BE ALLOTTED IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE BEING HELD ON RECORD DATE.**

## **General instructions for Equity Shareholders applying under the ASBA Process**

- (a) Please read the instructions printed on the CAF carefully.
- (b) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer is liable to be rejected. The CAF must be filled in English.
- (c) The CAF in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or Lead Manager to the Issue.
- (d) All applicants, and in the case of application in joint names, each of the joint applicants, should mention his/her PAN number allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.
- (e) All payments will be made by blocking the amount in the bank account maintained with the SCSB. Cash payment is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- (f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with the Company/or Depositories.
- (g) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Company. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.
- (h) All communication in connection with application for the securities, including any change in address of the Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of allotment in this Issue quoting the name of the first/sole applicant Equity Shareholder, folio numbers and CAF number.
- (i) Only the person or persons to whom securities have been offered and not Renouncee(s) shall be eligible to participate under the ASBA process.

**Do's:**

- a. Ensure that the ASBA Process option is selected in part A of the CAF and necessary details are filled in.
- b. Ensure that you submit your application in physical mode only. Electronic mode is only available with certain SCSBs and not all SCSBs and you should ensure that your SCSB offers such facility to you.
- c. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialized form only.
- d. Ensure that the CAFs are submitted at the SCSBs whose details of bank account have been provided in the CAF.
- e. Ensure that you have mentioned the correct bank account number in the CAF.
- f. Ensure that there are sufficient funds (equal to {number of Equity Shares applied for} X {Issue Price of Equity Shares}) available in the bank account maintained with the SCSB mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
- g. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the bank account maintained with the respective SCSB, of which details are provided in the CAF and have signed the same.
- h. Ensure that you receive an acknowledgement from the SCSB for your submission of the CAF in physical form.
- i. Each applicant should mention their Permanent Account Number ("PAN") allotted under the Income Tax Act, 1961.
- j. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
- k. Ensure that the Demographic Details are updated, true and correct, in all respects.

**Don'ts:**

- a. Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
- b. Do not pay the amount payable on application in cash, by money order or by postal order.
- c. Do not send your physical CAFs to the Lead Manager to Issue / Registrar / Collecting Banks (assuming that such Collecting Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.
- d. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- e. Do not instruct your respective banks to release the funds blocked under the ASBA Process.

**Grounds for Technical Rejection under the ASBA Process**

In addition to the grounds listed under "Grounds for Technical Rejection" on page 308 of this Letter of Offer, applications under the ASBA Process are liable to be rejected on the following grounds:

- a. Application on plain paper or on split form.
- b. Application for entitlements or additional shares in physical form.

- c. Equity Shareholders applying under ASBA Process for additional Equity Shares in CAF of Equity Shares and vice versa.
- d. DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- e. Sending CAF to a Lead Manager / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.
- f. Renouncee applying under the ASBA Process.
- g. Insufficient funds are available with the SCSB for blocking the amount.
- h. Funds in the bank account with the SCSB whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.
- i. Account holder not signing the CAF or declaration mentioned therein.

**Depository account and bank details for Equity Shareholders applying under the ASBA Process.**

**IT IS MANDATORY FOR ALL THE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL THE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF.**

**Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF, the Registrar to the Issue will obtain from the Depository demographic details of these Equity Shareholders such as address, bank account details for printing on refund orders and occupation. Hence, Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.**

These Demographic Details would be used for all correspondence with such Equity Shareholders including mailing of the letters intimating unblock of bank account of the respective Equity Shareholder. The Demographic Details given by Equity Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**Letters intimating allotment and unblocking or refund (if any) would be mailed at the address of the Equity Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. Refunds, if any, will be made directly to the bank account in the SCSB and which details are provided in the CAF and not the bank account linked to the DP ID. Equity Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of bank account may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Equity Shareholder in the CAF would be used only to ensure dispatch of letters intimating unblocking of bank account.**

**Note that any such delay shall be at the sole risk of the Equity Shareholders applying under the ASBA Process and none of the Company, the SCSBs, the Lead Manager or the Registrar to the Issue shall be**

**liable to compensate the Equity Shareholder applying under the ASBA Process for any losses caused to such Equity Shareholder due to any such delay or liable to pay any interest for such delay.**

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Equity Shareholders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such applications are liable to be rejected.

#### ***Application on Plain Paper***

- i. An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an Account Payee Cheque drawn on a local bank at Mumbai / Demand Draft, net of bank and postal charges, payable at Mumbai which should be drawn in favor of “**TCIL - Rights Issue**” in case of resident shareholders and non-resident shareholders applying on non-repatriable basis and in favour of “**TCIL - Rights Issue - NR**” in case of non-resident shareholders applying on repatriable basis and marked “A/c Payee Only” and send the same by registered post directly to the Registrar to the Issue so as to reach them on or before the Issue Closing Date. The envelope should be superscribed “**THOMAS COOK (INDIA) LIMITED – RIGHTS ISSUE**”.
- ii. The application on plain paper, duly signed by the applicants including joint holders, in the same order as per specimen recorded with the Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:
  - Name of Issuer, being Thomas Cook (India) Limited
  - Name and address of the Equity Shareholder including joint holders
  - Registered Folio Number/ DP ID No., DP Name and Client ID No.
  - Number of shares held as on Record Date
  - Certificate numbers and distinctive numbers, if held in physical form.
  - Number of Rights Equity Shares entitled
  - Number of Rights Equity Shares applied for, out of entitlement
  - Number of additional Equity Shares applied for, if any
  - Total number of Equity Shares applied for
  - Total amount paid on application at the rate of Rs.35.50 Equity Share
  - Allotment option either in physical or demat mode with Client ID number, DP name & DP ID number in case demat mode of allotment is preferred
  - Particulars of cheque/draft enclosed
  - Savings/Current Account Number and name and address of the bank where the Equity Shareholder will be depositing the refund order. In case of depository the bank account details shall be obtained from the information available with the Depositories.
  - PAN/PAN communication/Form 60/Form 61 declaration for the applicant and for each applicant in case of joint names.
  - Signature of Equity Shareholders to appear in the same sequence and order as they appear in the records of the Company.
  - In case of Non Resident Shareholders, NRE/ FCNR/ NRO A/c No. Name and Address of the Bank and Branch;
  - If payment is made by a draft purchased from NRE/ FCNR/ NRO A/c No., as the case may be, an Account debit certificate from the bank issuing the draft, confirming that the draft has been issued by debiting NRE/ FCNR/ NRO Account.
- iii. Payments in such cases, should be through a cheque/ demand draft payable at Mumbai be drawn in favor of “**TCIL - Rights Issue**” in case of resident shareholders and non-resident shareholders applying on non repatriable basis and in favour of “**TCIL - Rights Issue - NR**” in case of non-resident shareholders applying on repatriable basis and marked “A/c Payee Only”.
- iv. Attention of the shareholders is drawn to the fact that those shareholders making the application otherwise than on the CAF (i.e. on a plain paper as stated above) shall not be entitled to renounce their rights and should not utilise the CAF for any purpose including renunciation even if it is received subsequently. In case the original and duplicate CAFs and application on the plain paper or any two of these applications are lodged or if any shareholder violates any of these requirements, the Company will have the absolute right to reject

any one or both of his/her/their application and refund the application money received. However, the Company is not liable to pay any interest whatsoever on money so refunded.

### **Last date of Application**

The last date for submission of the duly filled in CAF is January 14, 2009. The Board or any committee thereof will have the right to extend the said date for such period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the offer contained in this Letter of Offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose off the Equity Shares hereby offered, as provided under the section entitled "Basis of Allotment".

**INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF THE COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.**

### **Mode of payment for Resident Equity Shareholders/ Applicants**

- (j) Only one mode of payment should be used. Payment must be made at the rate of Rs.35.50 per Equity Share by Cash or Cheque/Demand Draft drawn on any Bank (including a Co-operative Bank) which is situated at and is a member or sub-member of the Bankers Clearing House in the city/town at which the CAF is submitted. A separate cash amount or cheque/demand draft, must accompany each CAF. Outstation/ post-dated cheques or demand drafts and postal/ money orders will not be accepted and CAFs accompanied by such cheques/ demand drafts/ order are liable to be rejected. Payments in cash to the Registrars will not be accepted. Returned cheques shall not be represented and the accompanying application will not be considered. All cheques / drafts accompanying the CAF should be drawn in favour of "**TCIL - Rights Issue**" and marked 'A/c Payee only'. You are requested to mention the Folio number, Client ID / DP ID (as may be applicable) and the CAF number on the reverse of the Cheque /Demand Draft. If a Cheque or Demand Draft is drawn on a bank that is not participating in clearing, the CAF accompanying such Cheque/ Demand Draft shall, at the discretion of the Board, be liable to be rejected.
- (ii) Applicants residing at places other than places where the bank collection centres have been opened by the Company for collecting applications, are requested to send their applications together with Demand Draft of amount net of bank and postal charges, for the full application amount favouring "**TCIL - Rights Issue**" and marked 'A/c Payee only' payable at directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any. The date of mailing by the applicant and / or the date of Demand Draft / Banker's Cheque will not be the criteria for acceptance.
- (iii) Applications will not be accepted by the Lead Manager or by the Company.

### **Mode of payment for Non-Resident Equity Shareholders/ Applicants**

As regards the application by non-resident equity shareholders, the following further conditions shall apply:

Payment by non-residents must be made by demand draft / cheque payable at Mumbai or funds remitted from abroad in any of the following ways:

#### **Application with repatriation benefits**

Payment by NRIs/ FIIs/ foreign investors must be made by demand draft/cheque payable at Mumbai or funds remitted from abroad in any of the following ways:

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or
- By cheque / draft on a Non-Resident External Account (NRE) or FCNR Account maintained in Mumbai; or
- By Rupee draft purchased by debit to NRE/ FCNR Account maintained elsewhere in India and payable in Mumbai; or
- FIs registered with SEBI must remit funds from special non-resident rupee deposit account.
- Payments through Non-Resident Ordinary Account (NR(O) a/c) will not be permitted
- All cheques/drafts submitted by non-residents applying on repatriable basis have to be made through external source only and should be drawn in favour of “**TCIL - Rights Issue - NR**” payable at Mumbai and crossed ‘A/c Payee only’ for the amount payable.
- In case of applications by overseas companies and other corporate bodies owned predominantly by Non-Resident Individuals of Indian nationality/origin, a certificate in the prescribed form OAC/OAC-1 from an overseas auditor/chartered accountant/certified public accountant should be submitted along with the application.

A separate cheque or bank draft must accompany each application form. Applicants may note that where payment is made by drafts purchased from NRE/FCNR accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR account should be enclosed with the CAF. In the absence of the above the application shall be considered incomplete and is liable to be rejected.

In the case of NRIs who remit their application money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account details of which should be furnished in the appropriate columns in the CAF. In the case of NRIs who remit their application money through Indian Rupee Drafts from abroad, refunds and other disbursements, if any will be made in US Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. The Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into US Dollars or for collection charges charged by the applicant's Bankers.

#### **Application without repatriation benefits**

As far as non-residents holding shares on non-repatriation basis is concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in Mumbai or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the allotment of Equity Shares will be on non-repatriation basis. In such cases, refund, dividend, interest and other disbursement, if any, will be payable in Indian Rupees only.

All cheques/drafts submitted by non-residents applying on non-repatriation basis should be drawn in favour of “**TCIL - Rights Issue**” payable at Mumbai and must be crossed ‘A/c Payee only’ for the amount payable. The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAF before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF. You are requested to mention the folio number and the CAF number on the reverse of the cheque/demand draft. The application should be accompanied by a non-repatriation undertaking as per the forms prescribed by RBI.

If the payment is made by a draft purchased from an FCNR/NRE/ NRO account, an Account Debit Certificate from the bank issuing the draft, confirming that the draft has been issued by debiting the FCNR/NRE / NRO account or foreign Inward Remittance Certificate (FIRC) from the authorized dealers, should be enclosed with the CAF. In the absence of the above, the application shall be considered incomplete and is liable to be rejected. Payment by way of cash shall not be accepted.

New demat account shall be opened for holders who have had a change in status from resident Indian to NRI.

#### **Note:**

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to Income Tax Act, 1961.

- In case Equity Shares are allotted on non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAF before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- In case of an application received from non-residents, allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such allotment, remittance and subject to necessary approvals.

### **Payment by Stockinvest**

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the Stockinvest Scheme has been withdrawn. Hence, payment through Stockinvest would not be accepted in this Issue

### **Basis of Allotment**

Subject to the provisions contained in this Letter of Offer, the Articles of Association of the Company and the approval of the Designated Stock Exchange, the Board or a Committee of Directors authorized by the Board will proceed to allot the Equity Shares in the following order of priority:

- a) Full allotment to those Equity Shareholders who have applied for their rights entitlement either in full or in part and also to the renounees who have applied for Equity Shares renounced in their favour either in full or in part (subject to other provisions contained under the paragraph titled "Renunciation").
- b) Wherein fractional entitlement is ignored, preferential allotment of one additional Equity Share each to the shareholders whose fractional rights have been ignored and have applied for additional Equity Shares, within the overall size of Rights Issue, the allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.
- c) Allotment to the Equity Shareholders who having applied for their full rights entitlement of Equity Shares offered to them as rights have also applied for additional Equity Shares provided there is a surplus available after full allotment under (a) and (b) above and shall be at the absolute discretion of the Board or the Committee of our Company authorized in this behalf by the Board and the decision of the Board or the Committee shall be final and binding. The allotment of such additional Equity Shares will be made as far as possible on an equitable basis with reference to the number of Equity Shares held by them on the Record Date in consultation with the Designated Stock Exchange, as part of the Issue and not preferential allotment.
- d) To the renounee(s) who having applied for all the Equity Shares renounced in their favour and have also applied for additional Equity Shares, provided there is surplus available after making full allotment under (a), (b) and (c) above. The allotment of such additional Equity Shares will be made on a proportionate basis at the sole discretion of the Board or the Committee but in consultation with the Designated Stock Exchange, as a part of the Rights Issue and not preferential allotment.
- e) Allotment to any other person as the Board may in its absolute discretion deem fit provided there is surplus available after making full allotment under (a), (b), (c) and (d) above.

After taking into account allotment to be made under (a), (b), (c) and (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of regulation 3(1)(b)(ii) of the Takeover Code which would be available for allocation under (e) above. In the event of under subscription, our Promoters intend to apply for additional Equity Shares such that to ensure a minimum subscription of 90% of the Issue, as per the relevant provisions of the law. If allotted to the Promoter shall be in terms of proviso to regulation 3(1)(b)(ii) of the Takeover Code and will be exempt from the applicability of regulation 11 and 12 of Takeover Code. This disclosure is made in terms of the requirement of Regulation 3(1)(b)(ii) of the Takeover Code. Further this acquisition will not result in change of control of management of our Company.

After such allotments as above and to the Promoters, including the application for rights/renunciation and additional Equity Shares, any additional Equity Shares shall be disposed off by the board or committee of the Board of Directors authorized in this behalf by the Board of Directors of our Company, in such manner as they think most beneficial to our Company and the decision of the Board or committee of directors of our Company in

this regard shall be final and binding. In the event of oversubscription, allotment will be made within the overall size of the Issue.

In the event of oversubscription against the Rights Issue, allotment will be considered on an equitable basis with reference to the number of Equity Shares held on the Record Date, within the overall size of the Rights Issue at the sole discretion of the Board but in consultation with the Designated Stock Exchange. No oversubscription shall be retained by our Company. Even in the event of under subscription, the allotment will be made in consultation with the Designated Stock Exchange.

Our Company expects to complete the allotment of Equity Shares within a period of 15 days from the date of closure of the Issue in accordance with the listing agreement with Bombay Stock Exchange Limited.

### **Unsubscribed Equity Shares**

The Rights Issue will become undersubscribed after considering the number of Equity Shares applied as per entitlement, allotment to renounces for shares renounced in their favour, plus additional Equity Shares applied by either by them. The undersubscribed portion, if any, shall be applied for only after the close of the Issue. TCUK, one of our Promoters, has confirmed that they would subscribe to their entitlements in this Rights Issue in full and would also subscribe to the unsubscribed portion, if any, in this Rights Issue such that to ensure a minimum subscription of 90% of the Issue, as per the relevant provisions of the law. Subscription by TCUK and TCIM to the extent of their entitlement in the Issue and acquisition of additional Equity Shares by TCUK in case of undersubscription, if any, will not result in change of control of the management of the Company and shall be exempt in terms of proviso to Regulation 3(1)(b)(ii) of the SEBI Takeover Regulations.

### **Underwriting / Standby arrangements**

The present Issue is not underwritten and the Company has not made any standby arrangements for the Issue.

### **Disposal of Application and Application money**

The Board reserves the right to reject applications in case the application concerned is not made in terms of this Letter of Offer. In case an application is rejected in full the whole of the application money received will be refunded to the first named applicant and where an application is rejected in part, the excess application money will be refunded to the first named applicant within 15 days from the date of closure of the subscription list in accordance with Section 73 of the Act. If there is delay of refund of application money by more than 8 days after the Company becomes liable to pay (i.e. fifteen days after the closure of Issue), the Company will pay interest for the delayed period at the rate prescribed under sub-Section (2) and (2A) of Section 73 of the Act.

The subscription monies received in respect of this Issue will be kept in a separate bank account and the Company will not have access to nor appropriate the funds until it has satisfied the Designated Stock Exchange with suitable documentary evidence that the money can be released in terms of SEBI (DIP) Guidelines.

No acknowledgment will be issued for the application monies received by the Company. However, the Bankers to the Issue at its collection branches to the Issue receiving the CAF as applicable as per the terms of this Letter of Offer, will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF. Except for the reasons stated under “**Grounds for Technical Rejections**” on page 308 of this Letter of Offer and subject to valid application, acknowledgement of receipt of application money given by the collection agent shall be valid and binding on Issuer and other persons connected with the Issue.

### **Letters of allotment or refund orders**

Equity Share certificate(s)/Letter(s) of Allotment or Letter(s) of Regret together with refund orders exceeding Rs.1,500, if any, will be dispatched by registered post/speed post at the sole/first named applicant's address within 15 days from the date of the closing of the Issue.



Mode of payment of refund would be made as mentioned in the clause dealing with the "Payment of Refund" on page 285 of this Letter of Offer.

Company shall ensure despatch of refund orders, if any, by under the Certificate of Posting or registered post or speed post or through modes as mentioned in the section on "Issue Related Information" in the clause dealing with "Payment of Refund" on page 285 of this Letter of Offer, as applicable, only at the sole or First Applicant's sole risk within 15 days of closure of the Rights Issue, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.

In case of those shareholders who have opted to receive their Right Entitlement Shares in dematerialised form by electronic credit under the depository system, an advice regarding the credit of the Equity Shares shall be given separately.

Refunds will be made by cheques or pay orders drawn on the Collection Bank(s) and payable at par at the places where applications are accepted. Bank charges, if any, for encashing such cheques or pay orders will be borne by the Applicants.

Allotment of Equity Shares to non-residents and the issue of letters of allotment/share certificates to non-residents shall be subject to the approval received from RBI.

For Non-Resident Applicants, refunds, if any, will be made as under:

- a) Where applications are accompanied by Indian Rupee Drafts purchased abroad and payable at Mumbai, India, refunds will be made in convertible foreign exchange equivalent to Indian Rupees to be refunded. Indian Rupees will be converted into foreign exchange at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned applicant and the Company shall not bear any part of the risk.
- b) Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques are drawn and details of which are provided in the CAF.

#### **Letters of Allotment / Share Certificates / Demat Credit**

Letter(s) of allotment/ share certificates/ demat credit or letters of regret along with refund order will be dispatched to the registered address of the first named applicant or respective beneficiary accounts will be credited within 15 (fifteen) days, from the date of closure of the subscription list. In case the Company issues letters of allotment, the relative share certificates will be dispatched within three months from the date of allotment. Allottees are requested to preserve such letters of allotment (if any) to be exchanged later for share certificates. Export of letters of allotment (if any)/ share certificates/ demat credit to non-resident allottees will be subject to the approval of RBI.

In accordance with the requirements of the Stock Exchange and SEBI DIP Guidelines, the Company undertakes that:

#### **Interest in case of delay in dispatch of Allotment Letters/ Refund Orders in case of Rights Issues**

The Company will issue and dispatch letters of allotment/ share certificates and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of fifteen days from the date of closure of the Issue. If such money is not repaid within 8 days from the day the Company becomes liable to pay it, the Company shall pay that money with interest at the rate of 15% per annum as stipulated under Section 73 of the Act.

#### **Option to receive Equity Shares in Dematerialized Form**

Applicants to the Equity Shares of the Company issued through this Issue shall be allotted the securities in dematerialised (electronic) form at the option of the applicant. The Equity Shares of the Company are been traded in dematerialised mode. The Company has entered into tripartite agreements dated October 28, 1999 and

February 19, 1999, with CDSL and NSDL respectively along with the Registrar, (its Equity Shares bear the ISIN - INE332A01027), which enables the Investors to hold and trade in securities in a dematerialised form, instead of holding the securities in the form of physical certificates.

In this Issue, the allottees who have opted for Equity Shares in dematerialised form will receive their Equity Shares in the form of an electronic credit to their beneficiary account with a depository participant. The CAF shall contain space for indicating number of shares applied for in demat and physical form or both. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Applications, which do not accurately contain this information, will be given the securities in physical form. No separate applications for securities in physical and/or dematerialized form should be made. If such applications are made, the application for physical securities will be treated as multiple applications and is liable to be rejected. In case of partial allotment, allotment will be done in demat option for the shares sought in demat and balance, if any, will be allotted in physical shares.

Procedure for availing the facility for allotment of Equity Shares in this Issue in the electronic form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is exhibited in the records of the Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as with the Company). In case of Investors having various folios in the Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Equity Shareholders who have already opened such Beneficiary Account (s) need not adhere to this step.
- For Equity Shareholders already holding Equity Shares of the Company in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the allotment of Equity Shares arising out of this Issue may be made in dematerialized form even if the original Equity Shares of the Company are not dematerialized. Nonetheless, it should be ensured that the Depository Account is in the name(s) of the Equity Shareholders and the names are in the same order as in the records of the Company.

Responsibility for correctness of information (including applicant's age and other details) filled in the CAF vis-à-vis such information with the applicant's depository participant, would rest with the applicant. Applicants should ensure that the names of the applicants and the order in which they appear in CAF should be the same as registered with the applicant's depository participant.

If incomplete / incorrect beneficiary account details are given in the CAF or where the investor does not opt to receive the Rights Equity Shares in dematerialized form, the applicant will get Equity Shares in physical form.

The Equity Shares pursuant to this Issue allotted to investors opting for dematerialized form would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the applicant's depository account.

Renouncees will also have to provide the necessary details about their beneficiary account for allotment of securities in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

It may be noted that shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL.

Dividend or other benefits with respect to the shares held in dematerialised form would be paid to those Equity Shares holders whose names appear in the list of beneficial owners given by the Depository Participant to the Company as on record date.

### **Minimum Subscription**

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall forthwith refund the entire subscription amount received within fifteen (15) days from the date of closure of the Issue. If

there is a delay in the refund of subscription beyond eight days after the date from which our Company becomes liable to pay the subscription amount (i.e. fifteen (15) days after the date closure of the Issue), our Company shall pay interest for the delayed period at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act, 1956.

The Rights Issue will become undersubscribed after considering the number of Equity Shares applied as per entitlement, allotment to renounces for Equity Shares renounced in their favour, plus additional Equity Shares applied by either of them. The undersubscribed portion, if any, shall be applied for only after the close of the Issue. TCUK, one of our Promoters, has confirmed that they would subscribe to their entitlements in this Rights Issue in full and would also subscribe to the unsubscribed portion, if any, in this Rights Issue such that to ensure a minimum subscription of 90% of the Issue, as per the relevant provisions of the law. Subscription by TCUK and TCIM to the extent of their entitlement in the Issue and acquisition of additional Equity Shares by TCUK in case of undersubscription, if any, will not result in change of control of the management of the Company and shall be exempt in terms of proviso to Regulation 3(1)(b)(ii) of the SEBI Takeover Regulations. For details please refer to note no. 7 of the Capital Structure.

### **General instructions for applicant**

- (a) Please read the instructions printed on the enclosed CAF carefully.
- (b) Application should be made on the printed CAF, provided by the Company except as mentioned under the head Application on Plain Paper and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the applicants, details of occupation, address, father's / husband's name must be filled in block letters.
- (c) Payments should be made in cash/cheque/demand draft drawn on any bank which is situated at and is a member or sub-member of the banker's clearing house located at the centre where application is accepted. Outstation cheques/ demand drafts will not be accepted and application(s) accompanied by such cheques/ demand drafts will be rejected. The Registrar will not accept cash along with CAF.
- (d) The CAF together with cheque / demand draft should be sent to the Bankers to the Issue or at any of the branches as mentioned on the CAF or to the Registrar to the Issue (for applicants residing at places other than cities where the branches of the Bankers to the Issue have been authorised by the Company for collecting applications) and not to the Company or Lead Manager to the Issue. Applicants residing at places other than cities where the branches of the Bankers to the Issue have been authorised by the Company for collecting applications, will have to make payment by Demand Draft payable at Mumbai of amount net of bank and postal charges, and send their application forms to the Registrar to the Issue by Registered Post / Speed Post. If any portion of the CAF is / are detached or separated, such application is liable to be rejected.
- (e) PAN Number: The Applicants or in the case of an application in joint names, each of the Applicants, should mention his/her PAN allotted under the I.T. Act. Applications without this information and documents will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground. In case the sole/First Applicant and joint Applicant(s) is/are not required to obtain PAN, each of the Applicants(s) shall mention "Not Applicable" and in the event that the sole Applicant and/or the joint Applicant(s) have applied for PAN which has not yet been allotted each of the Applicant(s) should mention "Applied for" in the Composite Application Form. Further, where the Applicant(s) has mentioned "Applied for" or "Not Applicable", the sole/First Applicant and each of the joint Applicant(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B of the Income Tax Rules, 1962), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B of the Income Tax Rules, 1962), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) ration card (b) passport (c) driving license (d) identity card issued by any institution (e) copy of the electricity bill or telephone bill showing residential address (f) any

document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address and (g) any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be.**

- (f) Bank Account Details: It is mandatory for applicants to provide information as to their savings/current account number and the name of the Company with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected. **Shareholders may please note that for shares held in DEMAT mode, the bank account details shall be obtained from the depositories. Shareholders may ensure that the bank account details are updated with the depositories.**
- (g) Payment by cash: No person shall make an application for subscription to Equity Shares in cash, if on the date of making the application, the applicant has any deposit or loan (including Debentures) whether originally paid in cash or otherwise remaining unpaid (whether payment has fallen due or not) which by itself or taken together with the present application is Rs.20,000 or more, in terms of Section 269 SS of the Income Tax Act, 1961. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon. Payment against the application if made in cash, subject to conditions as mentioned above, should be made only to the Bankers to the Issue.
- (h) Signatures should be either in English or Hindi or in any other language specified in the Eight Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with the Company or depositories.
- (i) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF not later than the Issue Closing Date. In case the above referred documents are already registered with the Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. **In no case should these papers be attached to the application submitted to the Bankers to the Issue.**
- (j) The shareholders must sign the CAF as per the specimen signature recorded with the Company. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Company. Further, in case of joint applicants who are renounees, the number of applicants should not exceed three. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.
- (k) Application(s) received from Non-Resident / NRIs, or persons of Indian origin residing abroad for allotment of Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of Equity Shares, subsequent issue and allotment of Equity Shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.
- (l) All communication in connection with application for the Equity Shares, including any change in address of the Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of allotment in this Issue quoting the name of the first / sole applicant Equity Shareholder, folio numbers and CAF number. Please note that any intimation for change of address of Equity Shareholders, after the date of allotment, should be sent to Registrar to the Company; TSR Darashaw Limited, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.

- (m) Split forms cannot be re-split.
- (n) Only the person or persons to whom Equity Shares have been offered and not renounee(s) shall be entitled to obtain split forms.
- (o) Applicants must write their CAF number at the back of the cheque / demand draft.
- (p) Only one mode of payment per application should be used. The payment must be either in cash or by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.
- (q) A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash. (For payment against application in cash please refer point (g) above)

As per section 109A of the Act, the sole applicant / joint applicants may nominate, in the prescribed manner, a person to whom his Equity Shares in the Company shall vest in the event of his death.

An applicant cannot make an application for that number of securities exceeding the number of securities being offered through this Rights Issue.

- (r) No receipt will be issued for application money received. The Bankers to the Issue / Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

### **Grounds for Technical Rejections**

Applicants are advised to note that applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable for;
- In case of physical shareholders, bank account details (for refund) are not given;
- Age of first applicant not given in case of renounee(s);
- PAN not stated for the applicant and for each applicant in case of joint names and GIR number given instead of PAN
- In case of Application under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not submitted;
- If the signature of the existing shareholder given on the Application Form does not match with the specimen signature available with the Registrar to the Issue and for renounees if the signature does not match with the records available with their depositories;
- If the Applicant desires to have shares in electronic form, but the CAF does not have the Applicant's depository account details;
- CAFs are not submitted by the Applicants within the time prescribed as per the CAF and the Letter of Offer;
- Applications not duly signed by the sole/joint Applicants;
- Applications by OCBs unless accompanied by specific approval from the RBI permitting the OCBs to invest in the Issue;
- Applications accompanied by Stockinvest;
- In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- Applications by ineligible Non-residents (including on account of restriction or prohibition under applicable local laws) and where last available address in India has not been provided;
- Multiple applications;
- Applications which have evidence of being executed in/dispatched from US;
- Duplicate applications including cases where an applicant submits CAFs along with a plain paper applications;



- Applications where our Company believes that CAF is incomplete or acceptance of such CAFs may infringe applicable legal or regulatory requirements.

### **Utilisation of Issue Proceeds**

The subscription monies received in respect of this Issue will be kept in a separate bank account and the Company will not have access to nor appropriate the funds until it has satisfied the Designated Stock Exchange with suitable documentary evidence that the money can be released in terms of SEBI (DIP) Guidelines.

The Board of Directors declares that:

- (a) The funds received against this Issue will be transferred to a separate bank account other than the bank account referred to sub-Section (3) of Section 73 of the Companies Act.
- (b) Details of all monies utilised out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such moneys has been utilized; and
- (c) Details of all such unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.

### **Undertakings by the Company**

The Company undertakes that:

The complaints received in respect of the Issue shall be attended to by the Issuer Company expeditiously and satisfactorily;

All steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the securities are to be listed will be taken within 7 working days of finalisation of basis of allotment;

The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue.

Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the Issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

1. The certificates of the securities/refund orders to the non-resident Indians shall be dispatched within specified time.
2. Except issue of Equity Shares arising on the exercise of options granted under our ESOP Scheme, no further issue of securities affecting equity capital of our Company shall be made till the securities offered through this offer document are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.
3. Adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment.
4. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
5. All information shall be made available by the Lead Manager and the Issuer to the investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc.

### **Note**

The Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to best of its knowledge and belief, there are no other facts the omission of which makes any statement made



in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

All information shall be made available by the Lead Manager and the Issuer to the investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc.

The Issuer and Lead Manager shall update the Letter of Offer and keep the investors informed of any material changes till the listing and trading commences of the securities offered through this Letter of Offer.

### **Important**

Please read this Letter of Offer carefully before taking any action. The instructions contained in the accompanying Composite Application Form (CAF) are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

All enquiries in connection with this Letter of Offer or accompanying CAF and requests for Split Application Forms must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Equity Shareholder as mentioned on the CAF and superscribed “**THOMAS COOK (INDIA) LIMITED – RIGHTS ISSUE**” on the envelope) to the Registrar to the Issue at the following address:

**TSR Darashaw Limited,**  
6-10, Haji Moosa Patrawala Industrial Estate,  
20, Dr. E. Moses Road,  
Mahalaxmi, Mumbai 400 011  
Tel.: + 91 22 6656 8484 Fax: + 91 22 6656 8494  
Contact Person: Nandini Nair  
Website: [www.tsrdarashaw.com](http://www.tsrdarashaw.com)  
Email: [tcookrights@tsrdarashaw.com](mailto:tcookrights@tsrdarashaw.com)

It is to be specifically noted that this Issue of Equity Shares is subject to the section entitled ‘Risk Factors’ beginning on page viii of this Letter of Offer.

Our Company will not be liable for any postal delays and applications received through mail after the closure of the Issue, are liable to be rejected and returned to the applicants.

The Issue will be kept open for a minimum of 15 days unless extended, in which case it will be kept open for a maximum of 30 days.

## **SECTION VIII: MAIN PROVISION OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY**

Pursuant to Schedule II of the Act and the SEBI (DIP) Guidelines, the important provisions of the Articles of Association of our Company relating to members, voting rights, lien on the Equity Shares and process for modification of such rights, forfeiture of Equity Shares, restrictions on transfer and transmission of Equity Shares and debentures and on their consolidation and splitting are detailed below.

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association.

The activities that our Company has been carrying out until now is in accordance with the objects of Memorandum of Association of our Company.

### **CAPITAL AND INCREASE AND REDUCTION OF CAPITAL**

#### ***Amount of Capital***

Article 5 provides that:

The Capital of the Company is as reflected in Clause V of the Memorandum of Association from time to time.

#### ***Increase of capital by the Company and how carried into effect***

Article 6 provides that:

The Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine and in particular such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meetings of the Company in conformity with Sections 87 and 88 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

#### ***New Capital same as existing capital***

Article 7 provides that:

Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

#### ***Power to Issue Shares under ESOP Scheme***

Article 7A provides that:

The Company may, from time to time, issue shares under the Securities and Exchange Board of India (Employee Stock Option Plan and Employee Stock Purchase Scheme) Guidelines, 1999, as amended ("SEBI ESOP Guidelines") and other laws as applicable.

#### ***Authority to decide Terms and conditions of issue of Preference Shares***

Article 8 provides that:

Subject to the provisions of Section 80 and other applicable provisions, if any, of the Act, the Company shall have the power to issue Preference Shares from time to time which are liable to be redeemed as per the provisions of the Act. The Board shall have the power to prescribe the manner, terms and conditions of issue including dividend, redemption, etc.

#### ***Provisions to Apply on issue of Redeemable Preference shares***

Article 9 provides that:

On the issue of Redeemable Preference Shares under the Provisions of Article 8 hereof the following provisions shall take effect:

- a) no such shares shall be redeemed except out of the profits, of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of share made for the purpose of the redemption;
- b) no such shares shall be redeemed unless they are fully paid;



- c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;
- d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

### ***Reduction of Capital***

Article 10 provides that:

The Company may (subject to the provisions of Sections 78, 80, 100 to 105 inclusive, of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

### ***Sub-division, consolidation, and cancellation of Shares***

Article 11 provides that:

Subject to the provisions of Section 94 of the Act the Company in General Meeting may, from time to time, sub-divide or consolidate its, shares, or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

### ***Modification of rights***

Article 12 provides that:

Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may subject to the provisions of Sections 106 and 107 of the Act be modified commuted, affected or abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of the shares of that class.

## **SHARES AND CERTIFICATES**

### ***Further issue of capital***

Article 15 provides that:

- a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation whichever is earlier it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on these shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.
- b) Notwithstanding anything contained in the preceding sub-clause, the Company may:-
  - i. by a Special Resolution; or
  - ii. where no such Special Resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who being entitled so to do, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

offer further shares to any person or persons, and such person or, persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.

- c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

### **Share Certificates.**

Article 21 provides that:

- a) Every member or allottee of shares shall be entitled without payment to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and to Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or a Whole time Director. Particulars of every share certificates issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.

Provided that no Share Certificate or Certificates shall be issued for shares held in a Depository.

- b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.
- c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
- d) The Company shall be entitled to charge such sum as the Board may decide for issuing certificates other than the marketable lot.
- e) The Board of Directors of the Company shall be entitled to refuse the splitting of share certificates other than in and/or in marketable lots of fifty shares and/or multiples thereof.
- f) Subject to the applicable laws, rules and regulations from time to time in force, notwithstanding anything contained in the Articles of Association, there shall be no stamp duty payable on shares or securities and/or on the transfer of shares or securities being held in a dematerialised form in any medium as permitted by law including any form of electronic medium.

### **Renewal of Share Certificates**

Article 22 provides that:

- a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company.
- b) When a new share certificate has been issued in pursuance of Clause (a) of this Article it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No..... sub-divided/replaced/on consolidation of shares".
- c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.
- d) When a new share certificate has been issued in pursuance of Clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No. ....". The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.

- e) Where a new share certificate has been issued in pursuance of Clause (a) or Clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.
- f) All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-Article (f).
- h) All books referred to in sub-Article (g) shall be preserved in good order permanently.
- i) Nothing contained in the preceding clauses and Clauses (a) (b) (c) (d) and (e) of Article 21 of the Articles of Association of the Company shall apply to shares issued in a dematerialised form in any medium as permitted by law including any form of electronic medium.

***The first named joint-holders deemed sole holders***

Article 23 provides that:

If any share stands in the names of two or more persons, the person first named in the Register shall as regards receipts of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

***Funds of Company shall not be applied in purchase of shares of the Company.***

Article 26 provides that:

None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding company save as provided by Section 77 of the Act.

- a) Notwithstanding anything contained herein, the Company shall be entitled to dematerialise its shares, debentures and other securities pursuant to the Depositories Act and to offer its shares, debentures and other securities for subscription in a dematerialised form. The Company shall further be entitled to maintain a Register of Members with the details of Members holding shares.

***Purchase of Own Securities***

- b) The company shall have power, subject to the provisions of Sections 77A, 77AA, 77B and other applicable provisions of the Act, to purchase any of its equity shares or other specified securities as may be permitted by law on such terms, conditions and in such manner as may be prescribed by law from time to time in respect of such purchase.

**CALLS**

***Directors may make calls***

Article 30 provides that:

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.

***Notice of calls***

Article 31 provides that:

Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.



### ***Calls to date from Resolution***

Article 32 provides that:

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

### ***Calls to carry interest***

Article 36 provides that:

If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 9 percent per annum; but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

### ***Payment in anticipation of calls may carry interest***

Article 40 provides that:

- a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time an amount so advanced or may at any time repay the same upon giving to the member three months' notice in writing: Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.
- b) No member paying any such sum in advance shall be entitled to voting right in respect of the moneys so paid by him until the same would but for such payment become presently payable.

## **LIEN**

### ***Company to have lien on shares***

Article 41 provides that:

The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceedings of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 24 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any on such shares.

### ***In default of payment shares to be forfeited***

Article 46 provides that:

If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

### ***Notice of forfeiture of a Member***

Article 47 provides that:

When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

### ***Forfeited shares to be property of the Company and may be sold, etc.***

Article 48 provides that:

Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

### ***Member still liable to pay money owing at the time of forfeiture and interest***

Article 49 provides that:

Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding 9 percent per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

### ***Effect of forfeiture***

Article 50 provides that:

The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

### ***Evidence of forfeiture***

Article 51 provides that:

A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

### ***Validity of sale under Articles 42 and 48***

Article 52 provides that:

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

### ***Cancellation of certificates in respect of forfeited shares***

Article 53 provides that:

Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

### ***Power to annul forfeiture***

Article 54 provides that: The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as it thinks fit.

## **TRANSFER AND TRANSMISSION OF SHARES**

### ***Register of Transfer***

Article 55 provides that:

The Company shall keep a "Register of Transfers", and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share held in material form.

### ***Form of Transfer***

Article 56 provides that:

Shares in the Company may be transferred by an instrument in writing in the prescribed form and shall be duly stamped and delivered to the Company within prescribed period.

### ***Transfer Form to be completed and presented to the Company***

Article 57 provides that:

The Instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The Instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and

every registered Instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof.

Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company. Provided, however, that in the case of a transfer or transmission of shares or other marketable securities where the Company has not issued any certificates in respect thereof and where such shares or securities are being held in any electronic and fungible form or medium in a Depository, the provisions of the Depositories Act, 1996 shall apply in respect of the transfer or transmission of shares.

a) In the case of a transfer of shares or other marketable securities where the Company has not issued any certificates in respect thereof and where such shares or securities are being held in an electronic and fungible form or medium, the provision of the Depositories Act, 1996 shall apply thereto.

#### ***Transfer Books and Register of Members when closed***

Article 58 provides that:

The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district, in which the office of the Company is situate, to close the Transfer Books, the Register of Members or Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

#### ***Directors may refuse to register transfers***

Article 59 provides that:

Subject to the applicable provisions of any of Section 111 of the Act, and Section 22A of the Securities Contract (Regulation) Act, 1956, the Board may, at its own absolute and uncontrolled discretion decline to register or acknowledge any transfer of shares or debentures or any other script or security whether fully paid or not (notwithstanding that the proposed transferee be already a member), but in such cases it shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground that the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has lien on shares.

#### ***Notice of application when to be given***

Article 60 provides that:

Where, in the case of partly paid shares, an application for registration is made by the transferor the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

#### ***Death of one or more joint holders of shares***

Article 61 provides that:

Subject to Article 24 hereof in the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

#### ***Title to Shares of deceased members***

Article 62 provides that:

The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 65 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

#### ***No transfer to minor etc.***

Article 63 provides that:

No share shall in any circumstances be transferred to any minor, infant, insolvent or person of unsound mind.

### ***Nomination***

Article 64A provides that:

1. Every holder of share(s) in, and/or debenture(s) of, the Company, so entitled under the Act and Rules framed thereunder, may at any time, nominate, in the manner prescribed under the Act, a person to whom his share(s) in, and/or debenture(s) of the Company, shall vest in the event of his death.
2. Where the share(s) in, and/or debenture(s) of, the Company, are held by more than one person jointly, the joint holders so entitled under the Act and Rules framed thereunder, may, together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.
3. Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in, and/or debenture(s) of, the Company, the nominee shall, on the death of the shareholder and/or debentureholder concerned or on the death of all the joint holders, as the case may be, become entitled to all the rights in relation to such share(s) and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.
4. Where the nominee is a minor, the holder of the share(s) in, and/or debenture(s) of, the Company, can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in, and/or debenture(s) of, the Company, in the event of his death, during the minority.

### ***Transmission in case of nomination***

Article 64B provides that:

1. Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 64A upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect either
  - a) to be registered himself as the holder of the share(s) and/or debenture(s), as the case may be; or
  - b) to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debentureholder as the case may be, could have made.
2. If the person being a nominee, so becoming entitled, elects to be registered as holder of the share(s) and/or debenture(s) as the case may be, he shall deliver or send to the Company, a notice in writing duly signed by him stating that he so elects and such notice shall be accompanied with the death certificate(s) of the deceased shareholder and/or debentureholder as the case may be.
3. All the limitations, restrictions and provisions of these Articles, relating to the right to transfer and the registration of transfers of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder / debenture holder had not occurred and the notice or transfer were signed by that shareholder and/or debenture holder as the case may be.
4. A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not before being registered a member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, or other moneys payable in respect of the share(s) and/or debenture(s), until the requirements of the notice have been complied with.

### ***Registration of persons entitled to shares otherwise than by transfer***

Article 65 provides that:

Subject to the provisions of the Act and Articles 61 and 62 any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an Instrument of Transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares.

### ***Company not liable for disregard of a notice prohibiting registration of a transfer***

Article 68 provides that:

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer to shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of person having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

### **BORROWING POWERS**

#### ***Power to borrow***

Article 70 provides that:

Subject to the provisions of Sections 292 and 293 of the Act the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of moneys for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

### **CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

#### ***Shares may be converted into stock***

Article 75 provides that:

The Company in general meeting may convert any paid-up shares into stock; and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.

#### ***Right of stock-holders***

Article 76 provides that:

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets at winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

### **MEETING OF MEMBERS**

#### ***Annual General Meeting - Summary***

Article 77 provides that:

The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings, shall be called Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166 (1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the office of the Company is situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may subject to Section 166 (2) (b) of the Act in any one Annual



General Meeting fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditors of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts. Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The board shall cause to be prepared the Annual list of members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

### ***Extraordinary General Meeting***

Article 78 provides that:

The Board may, whenever it thinks fit, call an extraordinary General Meeting and it shall do so upon a requisition in writing by any members or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

### ***Quorum at General Meeting***

Article 85 provides that:

Five members present in person shall be a quorum for a General Meeting.

### ***If quorum not present meeting to be dissolved or adjourned***

Article 87 provides that:

If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting if convened by or upon the requisition of members shall stand dissolved, in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time, place in the city or town in which the office of the Company is for the time being situate, as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.

### ***Chairman of General Meeting***

Article 88 provides that:

The Chairman of the Board of Directors shall be entitled to take the Chair at every General Meeting. If there be no Chairman or if at any meeting, he shall not be present within fifteen minutes of the time appointed for holding such meeting or is unwilling to act, the Dy. Chairman, or in case of his absence or refusal, the Directors present may choose a chairman, and in default of their doing so, the members present shall choose one of the Directors to be the Chairman, and if no Director present be willing to take the Chair, the members present shall choose one of the members to be a Chairman.

## **VOTES OF MEMBERS**

### ***Members in arrears no to vote***

Article 97 provides that:

No member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right to lien.

### ***Number of votes to which member entitled***

Article 98 provides that:

Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for time being forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company : Provided however, if any preference shareholder be present at any meeting of the Company, save as provided in Clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

Provided that a depository as a registered owner shall not be entitled to or exercise any voting rights or any other rights in respect of shares held by it and the beneficial owner shall be solely entitled to or exercise all the rights and benefits in respect of such shares and be subject to all the duties, obligations and liabilities in respect of any shares held by a Depository.

#### ***Casting of votes by a Member entitled to more than one vote***

Article 99 provides that:

On a poll taken at meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in same way all the votes he uses.

#### ***How Members non-composmentis and minor may vote***

Article 100 provides that:

A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardian, or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the meeting.

#### ***Votes of Joint members***

Article 101 provides that:

If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint-holders be present at any meeting, then one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

#### ***Voting in person or by proxy***

Article 102 provides that:

Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.

#### ***Vote in respect of shares of deceased and insolvent Members***

Article 103 provides that:

Any person entitled under Article 62 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

#### ***Form of proxy***

Article 108 provides that:

Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

#### ***Validity of votes given by proxy notwithstanding death of member***

Article 109 provides that:

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the shares in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.



### ***Chairman of the meeting to be the judge of validity of any vote***

Article 111 provides that:

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll be the sole judge of the validity of every vote tendered at such poll.

## **DIRECTORS**

### ***Number of Directors***

Article 113 provides that:

Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (excluding Debenture and Alternate, Director if any) shall not be less than three nor more than twelve.

### ***Appointment and election of Directors***

Article 115 provides that:

1. So long as TCO shall be a member of the Company, TCO shall have the right by a notice in writing addressed to the Company, to appoint such number of person or persons as shall, together with the Managing Director or Managing Directors, not exceed one-third of the total number of Directors for the time being of the Company; as Directors of the Company and to remove such persons from office and, on a vacancy being caused in such office from any cause, whether by death, resignation, removal or otherwise, of any such persons so appointed, to appoint others in the vacant places. The Directors appointed under this Article are herein referred to as "non retiring Directors" and the term "non-retiring Directors" means the Directors for the time being in office under this Article. The non-retiring Directors shall not be liable to retire. The non-retiring Directors shall not be bound to hold any qualification shares.
2. Any appointment, removal and resignation of non-retiring Directors under this Article, shall be by a notice in writing addressed to the Company under the hand of the Chairman and Dy. Chairman, Director, or Secretary of TCIL and shall take effect forthwith upon such notice being delivered to the Company.
3. All Directors other than the non-retiring Directors shall be elected by shareholders of the Company in General Meeting and shall be liable to retirement by rotation as herein provided.

### ***Power to appoint ex-office directors***

Article 116 provides that:

- A. If and to the extent that TCO shall not have exercised the rights conferred upon it under Article 115 hereof and subject to the provisions of Section 255 of the Act, whenever the Directors enter into a contract with any Government, Central, State or Local, or any person or persons for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 255 of the Act, the power to agree that such Government, person or persons shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the Agreement and that such Director or Directors may not be liable to retire nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the Government, person or persons entitled to appoint or nominate them and such person or persons may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatever. The Directors so appointed or nominated shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including the payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with such person or persons aforesaid.
- B. If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as "Debenture Director". A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he is appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

### ***Appointment of Alternate Directors***

Article 117 provides that:

The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from the state in which the meetings of the Board

are ordinarily held. An alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

#### ***Appointment of Additional Directors***

Article 118 provides that:

Subject to the provisions of Sections 260 and 264, the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 113. Any such additional Director shall hold office only up to the date of the next Annual General Meeting.

#### ***Directors' power to fill casual***

Article 119 provides that:

Subject to the provisions of Sections 262 and 264 the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

#### ***Qualification of Directors***

Article 120 provides that:

A Director shall not be required to hold any share qualification.

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

Article 121 provides that:

- 1) Subject to the provisions of the Act, a Managing Director or Director, who is in the wholtime employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- 2) Subject to the provision of Sections 198, 309, 310, 311 and 314 of the Act, and in the case of the Managing Directors, subject to the provisions of Article 140, the Board shall have power to pay such remuneration to a Director for his services, wholtime or part time, to the Company or for services of a professional or other nature rendered by him as may be determined by the Board. If any Director being willing, shall be called upon to perform extra services or make any special exceptions in going to or residing at a place other than the place where the office of the Company is situated, or where the Director usually resides, or otherwise in the Company's business or for any of the purposes of the Company, then, subject to the provisions of the Act, the Board shall have power to pay to such Director such remuneration as may be determined by the Board.
- 3) Subject to the provisions of the Act, a Director, who is neither in the wholtime employment nor a Managing Director, may be paid remuneration either –
  - i. by way of monthly, quarterly or annual payment with the approval of the Central Government; or
  - ii. by way of commission if the Company by a Special Resolution authorised such payment.
- 4) The fee payable to a Director (including a Managing or Whole time Director, if any) for attending a Meeting of the Board or Committee thereof shall be such sum as shall from time to time be determined by the Board within the limits prescribed in that behalf from time to time by the Central Government under or pursuant to the Act.

#### ***Disclosure of interest***

Article 126 provides that:

A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act; provided in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in any such other company.

### ***Retirement and rotation of Directors***

Article 131 provides that:

At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one third shall retire from office. The non-retiring Directors and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the retirement by rotation or the number of Directors to retire.

### ***Eligibility for re-election***

Article 133 provides that:

A retiring Director shall be eligible for re-election.

### ***Company may increase or reduce the number of Directors***

Article 136 provides that:

Subject to Section 259 of the Act the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

## **PROCEEDINGS OF THE BOARD OF DIRECTORS**

### ***Meetings of Directors***

Article 144 provides that:

The Directors may meet together as a Board for the despatch of Business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

### ***Quorum***

Article 146 provides that:

Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher: Provided that no quorum shall be formed or constituted at a Meeting of the Board of Directors unless one Director nominated or appointed by TCO or an Alternate of such Director is present: Provided further that where at any time the number of interested Director exceeds or is equal to two-thirds of the total strength the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two shall be the Quorum during such time.

### ***Adjournment of meeting for want of Quorum***

Article 147 provides that:

If a meeting of the Board could not be held for want of a quorum, then the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.

### ***Power of Board Meeting***

Article 151 provides that:

A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles of the company are for the time being vested in or exercisable by the Board generally.

### ***Directors may appoint Committee***

Article 152 provides that:

Subject to the restriction contained in Section 292 of the Act the Board may delegate any of their powers to Committees of the Board consisting of such Member or Members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee

of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

### ***Meeting of Committee, to be governed***

Article 153 provides that:

The Meetings and proceedings by any such Committee of the Board or by a Committee thereof by circulation, unless the resolution has herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

## **MANAGEMENT**

### ***Prohibition of Simultaneous appointment of different categories of managerial personnel***

Article 159 provides that:

The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel, namely:

- (a) Managing Director, and
- (b) Manager.

Article 159(A) provides that:

If TCO, for any reason whatsoever, has not exercised the rights conferred upon it under Article 140, TCO shall have the right by a notice in writing signed by the Chairman, any Dy. Chairman, Director or Secretary of TCO and addressed to the Board of Directors of the Company to appoint any person as Chief Executive/President and one or more persons as Vice-President (but so that the total number of person so appointed shall not exceed three in number). TCO shall also have the right by a similar, notice in writing, signed by the Chairman, any Dy. Chairman, Director or Secretary of TCO and addressed to the Board of Directors of the Company to require the Board to remove, replace and fill any vacancy that may be caused in the office of the persons appointed as aforesaid. Any person or persons so appointed shall work and function under the overall superintendence, control and direction of the Board of Directors and shall not be entrusted with or be entitled to exercise any substantial powers of management or have the management of the whole or substantially the whole of the affairs of the Company.

## **THE SECRETARY**

### ***Secretary***

Article 160 provides that:

The Directors may from time to time appoint a Secretary and, at their discretion, remove any such Secretary, to perform any functions which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint any person or persons (who need not be the Secretary), to keep the registers required to be kept by the Company; Provided that if the paid-up capital of the Company shall exceed Rs. 25 lacs, then in such event, the Company shall appoint a wholetime Secretary as provided in Section 383-A of the Act and he shall possess such qualifications as may be prescribed from time to time by the rules made under the said Section.

## **THE SEAL**

### ***The Seal its custody and use***

Article 161 provides that:

- a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.
- b) The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

## **DIVIDENDS**

### ***Division of profits***

Article 163 provides that:

The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Article and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid-up or credited a paid- up and to the period during the year for which the capital is paid-up on the shares held by them respectively.

### ***Dividends only to be paid out of profits***

Article 165 provides that:

No dividend shall be declared or paid otherwise by the Company for any financial year out of profits for that year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that –

- a) If the Company has not provided for depreciation for any previous financial year or years shall before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
- b) If the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or these years whichever is less shall be set off against the profits of the Company for the years for which the dividend is provided to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Sub-section (2) of Section 205 of the Act or against both.

Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with the Section.

### ***Interim Dividend***

Article 166 provides that:

The Board may, from time to time, pay to the Members such interim dividend as in their judgement the position of the Company justifies.

### ***Retention of dividend until completion of transfer under Article 62***

Article 169 provides that:

Subject to the provisions of Section 205A of the Act, the Board may retain the dividends payable upon shares in respect of which any person is, under Article 62 entitled to become a Member, or which any person under that Article is entitled to transfer, until such person shall become a Member, in respect of such shares or shall duly transfer the same.

### ***Dividend etc. to joint-holders***

Article 170 provides that:

Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.

### ***No interest on Dividend***

Article 171 provides that:

No member shall be entitled to receive payment of any interest on dividend in respect of his share or shares, or otherwise howsoever, either alone or jointly with any other person or persons; while he is indebted to the Company and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

### ***Right to dividend, rights shares and bonus shares to be held in abeyance pending registration of transfer of shares***

Article 172 provides that:

A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer, provided, that where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall:

- a) transfer the dividend in relation to such shares to the special account referred to in Section 205A of the Act unless the Company is authorised by the registered holders of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and
- b) keep in abeyance in relation to such shares any offer of rights shares under Clause (a) of Sub-section (1) of Section 81 of the Act and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 205 of the Act.

### **Unclaimed dividend**

Article 174 provides that:

- a) Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of declaration, to any shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of \*thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, called "the unpaid dividend account of Thomas Cook (India) Limited".
- b) Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund.

In this Article, the expression "dividend which remains unpaid" shall mean any dividend the warrant in respect thereof has not been encashed or which has otherwise not been paid or claimed.

### **No interest on Dividends**

Article 175 provides that:

Subject to the provisions of Section 205A of the Act no unpaid dividend shall bear interest as against the Company.

### **Capitalisation**

Article 177 provides that:

- a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued share or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum, Provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.
- b) A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax distributed among the members on the footing that they receive the same as capital.
- c) For the purpose of giving effect to any resolution under the preceeding paragraphs of this article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than at intervals of not more than three months' are sent by the branch office to Rs. 10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act 1956, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

### **WINDING-UP**

#### **Liquidator may divide assets in specie**

Article 191 provides that:

The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit.



## **INDEMNITY AND RESPONSIBILITY**

### **Directors' and others right of indemnity**

*Article 192 provides that:*

Every Director, Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

## **SECURITY CLAUSE**

*Article 193 provides that:*

- a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or Other Person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.



## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts mentioned below (not being contracts entered into in the ordinary course of business carried on by our Company) are or may be deemed to be material contracts. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company situated at Thomas Cook Building, Dr. D. N. Road, Fort, Mumbai – 400 001, Maharashtra from 11.00 a.m. to 2.00 p.m. on any working day from the date of this Letter of Offer until the Issue Closing Date.

#### A. Material Contracts

1. Memorandum of Understanding dated October 3, 2008 between our Company and Ambit Corporate Finance Private Limited, appointing them as Lead Manager.
2. Memorandum of Understanding dated June 26, 2007 between our Company and TSR Darashaw Limited.
3. Engagement Letter dated April 11, 2007 issued by our Company appointing India Law Alliance, as the Legal Advisors to the Issue.
4. Agreement dated December 19, 2008 between our Company and HDFC Bank Limited, appointing them as Banker to the Issue.
5. Tripartite Agreement dated October 28, 1999 between our Company, TSR Darashaw Limited and CDSL.
6. Tripartite Agreement dated February 19, 1999 between our Company, TSR Darashaw Limited and NSDL.

#### B. Documents for Inspection

1. Memorandum and Articles of Association of our Company, as amended till date.
2. Copy of the Resolution passed by the Board of Directors in their meeting held on August 26, 2008.
3. Scheme of amalgamation of LKP Forex with our Company.
4. Shareholders agreement dated February 7, 2007 between DFL, TCIM, our Company and LKP Merchant.
5. Merger agreement dated August 18, 2006 between LKP Forex, our Company, LKP Merchant and Mr. Mahendra Doshi.
6. Non-compete agreement dated February 7, 2007 between our Company, LKP Merchant and Doshi family.
7. Share Purchase Agreement dated August 18, 2006 between Rare Enterprise, our Company and LKP Forex.
8. Share Purchase Agreement dated December 1, 2006 between our Company and Katgara Group.
9. Share Sale and Purchase Agreement dated December 30, 2006 between our Company, ACGL and HCL.
10. Redeemable Preference Shares Subscription Agreement dated January 28, 2008 between our Company and HSBC and HSCI.
11. Trademark License Agreement dated March 29, 2006 between our Company and TCUK.
12. Trademark Licensing Agreement dated February 7, 2007 between our Company and LKP Merchant.
13. Deed of Assignment of Trademark dated February 7, 2007 between our Company and LKP Merchant.
14. Certificate dated December 20, 2008 issued by M/s. Nilesh Gore & Co., Chartered Accountants.
15. Agreement dated June 30, 2006 and supplement service agreement dated May 18, 2007 between our Company and Mr. Madhavan Menon laying down his terms of appointment as Managing Director of our Company.
16. Agreement dated May 14, 2007 and supplemental service agreement dated November 30, 2007 between our Company and Mr. Vinayak K. Purohit laying down his terms of appointment as Whole Time Director (Executive Director – Finance) of our Company.
17. Consents from the Auditors, Lead Manager to the Issue, Registrar to the Issue, Legal Advisor to the Issue, Bankers to the Issue, Bankers to our Company, Directors, Compliance Officer (Company Secretary) to include their names in this Letter of Offer and to act in their respective capacities.
18. Audit report by the statutory auditors of our Company dated December 19, 2008 included in this Letter of Offer.
19. Certificate dated December 19, 2008 from the statutory auditors of our Company detailing the tax benefits.
20. Annual Reports of our Company for the last five financial years.
21. Applications dated October 10, 2008 for in-principle listing approval addressed to all the Stock Exchanges.
22. Letter no. DCS/COMP/SD/290/2008-09 dated September 17, 2008 from BSE for minimum public shareholding applicable to our Company.
23. Letters dated October 29, 2008 from BSE and November 17, 2008 from NSE granting in-principle listing approval.
24. Due Diligence certificate dated October 8, 2008 to SEBI issued by Ambit Corporate Finance Private Limited as Lead Manager to the Issue.
25. SEBI Observation letter no. CFD/DIL/NB/JAK/147811/2008 dated December 17, 2008 for the Issue.
26. Copy of the in-seriatim reply to SEBI observations filed by Lead Manager with SEBI vide letter dated December 23, 2008.



## DECLARATION

To the best of the Company's knowledge, no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 1956 and the rules made there under, and all legal requirements connected with the said Issue as also the guidelines, instructions etc., issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with.

Since the date of the last financial statement disclosed in this Letter of Offer, there have been no circumstances that materially and adversely affect or are likely to affect the trading or profitability of the Company or the value of its assets or its ability to pay its liabilities within the next 12 months except as stated under the section Management Discussion and Analysis.

The Company accepts no responsibility for statements made otherwise than in this Letter of Offer or in the advertisement or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk. We hereby certify to our knowledge that all the disclosures contained in this Letter of Offer are true and correct in all material respects.

Yours faithfully

**For Thomas Cook (India) Limited**

Udayan Bose\*  
Chairman

Manny Fontenla-Novoa\*  
Director

Juergen Bueser\*  
Director

Michael Hallisey\*  
Director

Roland Zeh\*  
Director

Angus Porter\*  
Director

Madhavan Menon\*\*  
Managing Director

Vinayak K. Purohit  
Executive Director - Finance  
(Place : Mumbai)

Hoshang Billimoria\*  
Director

Anant V. Rajwade\*  
Director

Dilip De\*  
Director

Rambhau Kenkare  
Compliance Officer  
(Place : Mumbai)

Rakshit Desai\*  
Executive Director –  
Travel Services

\*Signed on behalf of the directors by their constituted attorney, Mr. Vinayak K. Purohit

\*\* Signed on behalf of his constituted attorney, Mr. Rambhau Kenkare

Date: December 26, 2008

Enclosure: Composite Application Form