



A YEAR OF TRANSFORMATION



ANNUAL REPORT

2014-2015



BOARD OF DIRECTORS

Mahendra Kumar Sharma (Non-Executive Chairman – Independent)
Madhavan Menon (Managing Director)
Harsha Raghavan (Non-Executive Director)
Chandran Ratnaswami (Non-Executive Director)
Uday Chander Khanna (Non-Executive – Independent Director)
Kishori Udeshi (Non-Executive – Independent Director)
Pravir Kumar Vohra (Additional Non-Executive – Independent Director)

COMPANY SECRETARY

R. R. Kenkare, President & Head – Legal & Company Secretary

AUDITORS

Lovelock & Lewes

PRINCIPAL BANKERS (in alphabetical order)

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

REGISTRARS & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

Thomas Cook (India) Limited
CIN: L63040MH1978PLC020717
Thomas Cook Building,
Dr. D. N. Road, Fort,
Mumbai – 400 001
Tele: (022) 6160 3333
Facsimile: (022) 2287 1069
Email id: shareddept@in.thomascook.com
Website: www.thomascook.in

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Members may please note that e-copy of Annual Report 2014-2015 would be sent to those shareholders who have consented and registered to receive e-copy of the Annual Report as part of green initiative undertaken by the Company. The same would also be available on the Company's website www.thomascook.in

BOARD OF DIRECTORS



Bottom row from left to right

Kishori Udeshi

(Non-Executive - Independent Director)

Mahendra Kumar Sharma

(Non-Executive Chairman - Independent)

Chandran Ratnaswami

(Non-Executive Director)

Top row from left to right

Harsha Raghavan

(Non-Executive Director)

Madhavan Menon

(Managing Director)

Uday Chander Khanna

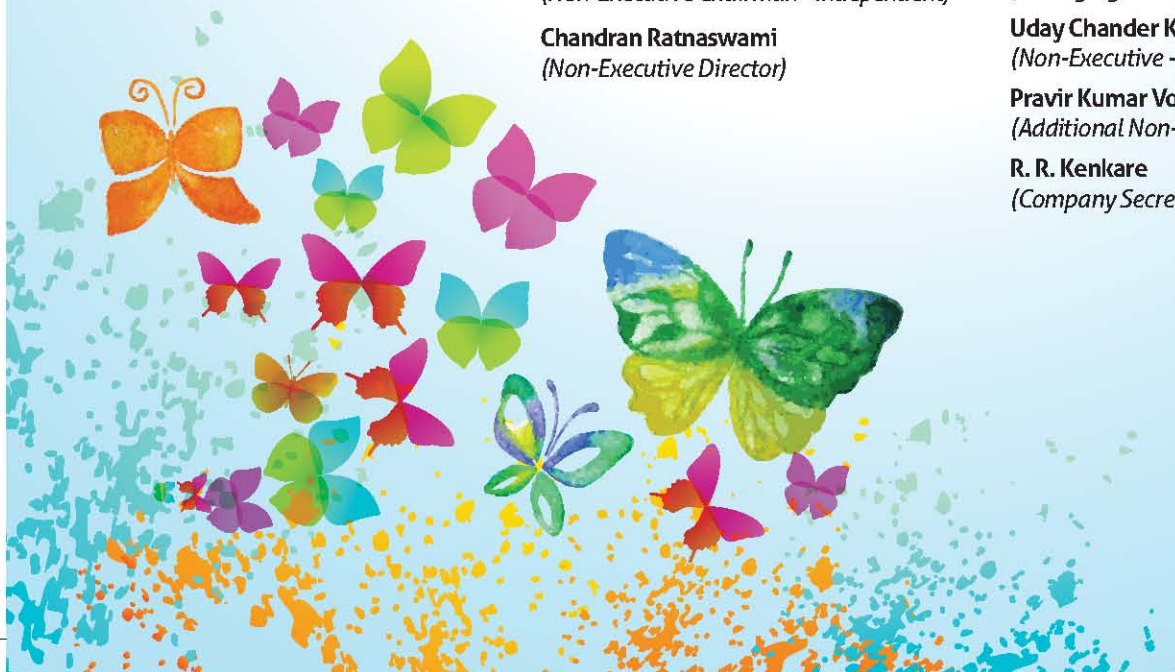
(Non-Executive - Independent Director)

Pravir Kumar Vohra

(Additional Non-Executive - Independent Director)

R. R. Kenkare

(Company Secretary)



EXECUTIVE COMMITTEE MEMBERS



Madhavan Menon
Managing Director



Rambhau R. Kenkare
President & Head
Legal and Company Secretary



Debasis Nandy
Chief Financial Officer & President
Commercial



Rajeev Kale
President & Chief Operating Officer
MICE, Domestic & Sports Holidays



Mahesh Iyer
Chief Operating Officer
Foreign Exchange



Amit Madhan
Chief Operating Officer
IT & E-Services



Prashant Narayan
Chief Operating Officer & Head
Leisure Travel (Inbound)



Indiver Rastogi
Chief Operating Officer & Head
Corporate Travel



Abraham Alapatt
Chief Innovation Officer & Head
Marketing and Service Quality



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



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



Mona Cherian
Chief Operating Officer & Head
Human Resources



Directors' Report

To the Members:

Your Directors have pleasure in presenting the Thirty – Eighth Annual Report, together with audited financial statements for the fifteen months period ended 31st March, 2015 (from 1st January, 2014 to 31st March, 2015).

Financial performance

₹ in Million except Earnings Per Share

Particulars	Standalone		Consolidated [^]	
	Fifteen months Period ended 31st March, 2015#	Year ended 31st December 2013**	Fifteen months Period ended 31st March, 2015#	Year ended 31st December 2013**
Total Revenue	5,135.82	3,750.71	32,863.21	12,959.54
Profit before Tax	486.21	702.94	1,709.88	1,022.60
Provision for Taxation	157.00	260.20	517.19	368.17
MAT Credit Entitlement	-	-	16.96	(16.38)
(Write back)/ Provision for Deferred Taxation	(2.90)	(18.51)	52.35	(16.44)
Profit after Taxation	332.11	461.25	-	-
Profit after Taxation and before Minority Interest	-	-	1,123.38	687.25
Minority Interest	-	-	221.87	65.05
Profit after Taxation and Minority Interest	-	-	901.51	622.20
Transferred to General Reserve	33.21	46.12	33.21	46.12
Dividend Proposed/Paid	138.61	105.77	138.61	105.77
Earnings Per Share - Basic (per equity share of ₹ 1/- each)	1.31	1.96	3.56	2.64
Earnings Per Share - Diluted (per equity share of ₹ 1/- each)	1.10	1.91	2.98	2.57

The Company extended its financial year to bring it in line with the requirements of the provisions of sub-section (41) of Section 2 of the Companies Act, 2013. The current financial period is for the period of fifteen months from 1st January, 2014 to 31st March, 2015 and therefore not comparable with the previous year.

The subsequent financial years of the Company will commence from 1st day of April every year and end on 31st March of the following year.

[^]Consolidated financial statements for the period ended 31st March, 2015 include the consolidated audited financial statements of Sterling Holiday Resorts (India) Limited for the period 3rd September, 2014 to 31st March, 2015.

In the previous year, the consolidated financial statements for the year ended 31st December, 2013 included the consolidated audited financial statements of Ques Corp Limited (previously IKYA Human Capital Solutions Limited) for the period 14th May, 2013 to 31st December, 2013. Consequently, consolidated financial statements for the period ended 31st March, 2015 are not comparable with previous year.

** Previous Year figures have been reclassified wherever necessary to conform to this period's classification.

Operations & Results

The Travel and Tourism industry maintained its position as one of the top industries of the country. While the sector faces challenges every year and this year was no different from the past, it maintained a modest growth rate. Overall business sentiment and economic outlook remained optimistic on account of a stable government. The year saw decent growth of your Company's portfolio of retail products, strong leisure travel trends for both group and individual travel business and the outreach program with channel partners. Your Company expanded its reach by ensuring it has products right from Super Budget, Budget to Premium and Royale category, thus reaching to a larger market segment with wide choices. Your Company further strengthened its Inward Remittance business both from a penetration perspective as well as from a business growth perspective.

Your Company continued its focus on acquisition of new clients and strived to provide un-paralleled customer service along with a suite of products. Your Company continued to be the preferred choice for customers on-the-go and expanded its abilities to serve consumers through various new channels. To keep up with the pace and the changing needs of the customers and to ensure seamless delivery, your Company enhanced its technological backbone with the objective of customer service and delivery.

Your Company increased its marketing efforts, specifically on the digital marketing mediums, to reach out to its target customer base effectively with the strategy of being a complete travel solution provider. Given India's young demography and emergence as the youngest workforce of the world – more and more customers have started buying everything from mobile phones to services online.

Your Company recorded total revenue of ₹ 5,135.82 million and profit before tax of ₹ 486.21 million with profit after tax being ₹ 332.11 million for the period ended 31st March 2015. The basic earnings per share of the Company is ₹ 1.31 per Equity Share of ₹ 1/- each.

Thomas Cook Presence

As of 31st March, 2015, your Company, along with its subsidiaries, continues to be amongst the largest integrated travel groups in India. Your Company operates through 233 locations in 94 cities, 112 PSAs and 115 Gold Circle Partner outlets to have a wider spread and network across the country.

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

Share Capital Structure

The share capital structure as of 28th May, 2015 is as follows:

Authorised Capital:	Rupees	Rupees
Equity:		
505827060 Equity Shares of ₹ 1/- each	505,827,060	
Preference:		
(i) 114760000 Class 'A' 4.65% Cumulative Non-Convertible Redeemable Preference Shares of ₹ 10/- each	1,147,600,000	
(ii) 355294 Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each	3,552,940	
(iii) 302000 Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each	3,020,000	
(iv) 125000000 Preference Shares of ₹ 10/- each	1,250,000,000	
		<u>2,910,000,000</u>
Issued, Subscribed and Paid-up Capital:		
Equity:		
272823330 Equity Shares of ₹ 1/- each	272,823,330	
Preference:		
4423000 Compulsorily Convertible Preference Shares (CCPS) of ₹ 10/- each	44,230,000	
		<u>317,053,330</u>

During the period, 319765 Class 'B' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each and 271800 Class 'C' 0.001% Cumulative Convertible / Redeemable Preference Shares of ₹ 10/- each were converted on 25th April, 2014 into 5140000 equity shares of ₹ 1/- each. The Board of Directors of the Company has on 9th March, 2015 allotted 18270000 equity shares of ₹ 1/- each to Fairbridge Capital Mauritius Limited, Promoter on conversion of 1827000 CCPS of ₹ 10/- each out of 6250000 CCPS.

Employees Stock Option Plans (ESOPs)

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

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

During the period ended 31st March, 2015, 229906 options were approved for grant under the ESOP 2013. However, there were no options approved for grant under Thomas Cook Employees Stock Option Plan 2007 and SAYE Scheme 2010.

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

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

Dividend

Your Directors recommend dividend for approval of the members as under:

- On 319765 Class 'B' Preference Shares of ₹ 10/- each @ 0.001% (i.e. ₹ 0.0001 per share) for the period 1st January, 2014 to 25th April, 2014 (upto date of conversion);
- On 271800 Class 'C' Preference Shares of ₹ 10/- each @ 0.001% (i.e. ₹ 0.0001 per share) for the period 1st January, 2014 to 25th April, 2014 (upto date of conversion);
- On Compulsorily Convertible Preference Shares(CCPS):
@0.001% (i.e ₹ 0.0001 per share) on 1827000 CCPS of ₹ 10/- each for the period 13th March, 2014 to 9th March, 2015 (from date of allotment upto date of conversion);

@0.001% (i.e ₹ 0.0001 per share) on 4423000 CCPS of ₹ 10/- each for the period 13th March, 2014 to 31st March, 2015

4. On Equity Shares @ 50% (i.e. ₹ 0.50) on each equity share of ₹ 1/- for the period ended 31st March, 2015;

The proposed dividend on the equity capital and preference capital absorbs ₹ 136.36 million for dividend and ₹ 28.53 million for Dividend Tax. The Board seeks the approval of the shareholders to the dividend recommended on the preference and equity share capital as will be outstanding on the date of book closure/ record date.

General Reserve

Your Directors have resolved to transfer ₹ 33.21 million to General Reserve out of the profits of the Company. With the transfer, the total General Reserves stand at ₹ 353.64 million as at 31st March, 2015. Further, as per requirement, your Directors have resolved to transfer ₹ 81.60 million to Debenture Redemption Reserve.

Director's Responsibility Statement

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

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

Promoters

Fairfax Financial Holdings Limited

The current promoters of your Company, Fairbridge Capital (Mauritius) Limited ("FCML") holding 45.01% and H Investments Limited ("HIL") holding 29.76% are 100% step down subsidiaries of Fairfax Financial Holdings Limited ("Fairfax"), Canada.

Fairfax is a holding company which, through its subsidiaries, is engaged in property and casualty insurance and reinsurance and investment management. Fairfax was founded in 1985 by the present Chairman and Chief Executive Officer, Mr. Prem Watsa. The company has been under present management since 1985 and is headquartered in Toronto, Canada. Its common shares are listed on the Toronto Stock Exchange. Fairfax's corporate objective is to achieve a high rate of return on invested capital

and build long-term shareholder value. Over the past 30 years, Fairfax has demonstrated a strong financial track record to achieve an annual compounded appreciation in book value per share of 21.1% and currently has over \$35 billion in consolidated assets.

Thomas Cook (India) Limited is a part of the Fairfax group. As of the date hereof, the promoters hold 74.77% of the total paid up equity share capital of the Company.

Thomas Cook (India) Limited

Operations in India [including subsidiaries]

During the period 2014-15 the Foreign Exchange volumes increased by 17%. Overall business sentiment and economic outlook towards India remained optimistic. Despite various challenges faced by the industry for most part of the year, your Company had a decent growth of its business.

The year saw appreciable growth of your Company's portfolio of retail products. The strong leisure travel trends for both group and individual travel business and the outreach program with channel partners helped grow the holiday foreign exchange business by 50%. Getting a large country wise channel partner on board helped Student business grow by 75%. 'Maintenance of close relatives' category of outward remittance was another product which saw tremendous growth on account of channel activation and awareness creation through marketing, with volume growth of more than 57%. Corporates maintained caution while spending on travel and foreign exchange.

Your Company's own Multi Currency Prepaid Travel Card (Borderless Prepaid Card), launched in 2012, in association with MasterCard and Access Prepaid Worldwide, continued to grow at high double digit year on year growth rate. The Borderless Prepaid Card was loaded with US\$ 344 million for the period 1st January, 2014 till 31st March, 2015 with an average monthly load of US\$ 23 million. Over 125,000 cards have been sold since the launch of the product in 2012 with a total load volume of US\$ 522 million.

This year, your Company became one of the only companies in India and the first Non-Banking entity to have an Online Forex Store to offer a simple and easy buying experience to customers for their Foreign Exchange requirements. The online business volumes have increased by 296% over last year.

Your Company embarked on an ambitious plan for innovation and Transformation across businesses, within businesses and across all Channels with the launch of Holiday Saving Plan, Travel Quest and the Gift Card.

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

To reposition your Company as not just a leader in the offline "brick" space – but a growing force in the online "click" space, your Company began by designing and offering online products that were simple, all inclusive, easy to buy and affordable.

Your Company revamped its website completely to make it more user friendly and to offer it as India's only portal offering end to end travel services across flights, hotels, visas, foreign exchange and insurance and then started using thomascok.in in all its communication – both online and offline to let customers know they could choose to deal in whatever form they want.

Leisure Travel had witnessed a dip in passenger numbers in April – May 2014 (its otherwise peak season) on account of the parliamentary elections in India. However in the following quarters your Company witnessed increase in passengers through extended season. Your Company further leveraged upon the extended season to grow sales through tactical road shows & corporate carnivals.

Inbound Tourism grew by 10.6% in 2014 as against growth of 6% in 2013 & 4% in 2012. Foreign exchange earnings in rupee terms registered a growth of 12% in 2014 over 2013 as against growth of 14% in 2013 over 2012 and 22% in 2012 over 2011.

Year 2014 witnessed a revival in air traffic demand. Domestic air travel grew by 9.7% compared to 2013, driven by a series of discounted promotions mounted by domestic carriers. After the slowdown in 2013, Indian corporates gradually started increasing their business travel.

Various automation initiatives were undertaken alongwith our GDS Partner, Amadeus, to help improve upon service quality and staff productivity.

MICE offers a potential for high revenue earning with limited resource. This year the MICE business saw an upswing trend and did take advantage of the currency stabilizing. Further, new visa issuance policies offered great opportunities to open up markets in some locations but stringent policies in other destinations were a source of challenge. Although having faced intense competition amongst large and small players in the sector, MICE registered a top line growth by 15% by cementing strong relationships with several respected corporate houses, tapping new markets and serving new clients and focus on domestic business.

E-Business continues to be a strong focus area as a part of comprehensive multi channel strategy. The call centre has seen a phenomenal growth in enquiries & bookings over last year.

Domestic traveller is increasingly looking at experiential travel in India and your Company's Domestic product teams have created unique itineraries including experiences like undersea walk in the Andamans, malabar cuisine classes in Wayanad, elephant safari at Amber Fort in Jaipur, tiger safaris in Corbett, Kalairipaytu at Munnar and Ayurvedic spa therapy in the Nilgiris on the basis of the demand received for such experiences for 2014.

TC Visa Services (India) Limited has exhibited both qualitative and quantitative growth running in the third year of its operations, post its incorporation as an entity under TCI umbrella.

Operations in Mauritius

The recession in Eurozone continues to have an impact on the tourist inflow into the country and further stretched the reduced spending pattern of foreign travelers, impacting the retail part of the business. The country has also been marked by an uncertain economic and political climate during most part of 2014 because of the imminence of the general elections, which finally took place in December 2014. This resulted into a very prudent and reserved behavior of the local business community for most of the year, thus affecting foreign exchange transaction volumes. The weak market conditions exacerbated the competitive environment, thus putting additional pressure on the margins.

Mauritius operations consist of 15 branches across the island. The company has adopted a systematic approach to training on the area of concern to improve the productivity of staff. The company has embarked on a branch restructuring program for loss making branches for 2014-15.

Operations in Sri Lanka

Thomas Cook Lanka (Private) Limited has outlets both at the Arrival and Departure terminals at the Bandaranaike International Airport. With

political stability continuing in Sri Lanka, Thomas Cook Lanka (Private) Limited intends to further expand its operations in Negombo, Colombo & Kandy.

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

Awards and Accolades

Thomas Cook (India) Limited has been the recipient of the following highly prestigious awards and accolades during the period 1st January, 2014 to 31st March, 2015:

- Voted as Favourite Outbound Tour Operator at the Outlook Traveller Awards 2015
- IATA accreditation as "Top 10 South Asia IATA Authorized Training Centers 2015
- Best Tour Operator - Outbound at the CNBC AWAAZ Travel Awards 2014 & 2013 and Best Company providing Foreign Exchange at the CNBC AWAAZ Travel Awards 2014
- 'India's Leading Tour Operator' for the year 2014, at the 21st Annual World Travel Awards Asia & Australasia 2014
- Favourite Tour Operator at the Condé Nast Traveller Readers' Travel Awards 2014
- Consumer Superbrand 2013-14

Directors

In accordance with Article 116 of the Articles of Association of the Company, Mr. Harsha Raghavan (DIN:01761512) retires by rotation and being eligible, offers himself for re-appointment to the Board.

Mr. Pravir Kumar Vohra (DIN: 00082545) was appointed as a Non-Executive Director (Independent) by the Board of Directors of the Company at its meeting held on 10th April, 2015. As Additional Director, he holds office upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing Mr. Vohra's candidature for the office of Director. Accordingly, Mr. Vohra is being proposed to be appointed as a Non-Executive Director (Independent).

In pursuance of the requirements of the Companies Act, 2013, all the existing Independent Directors of the Company, Mr. Mahendra Kumar Sharma (DIN: 00327684), Mr. Uday Chander Khanna (DIN: 00079129) and Mrs. Kishori Udeshi (DIN: 01344073) were appointed as Independent Directors of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years from 16th September, 2014 or till such earlier date to conform with the policy on retirement and as may be determined by the Board of Directors of the Company and/ or by any applicable statutes, rules, regulations or guidelines.

The Company has received necessary declarations from all Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed both under Section 149(6) of the Companies Act, 2013 and Clause 49 of the listing agreement with Stock Exchanges.

Mr. Madhavan Menon, Managing Director (DIN: 00008542) of the Company, whose tenure as Managing Director expired on 28th February, 2015, was re-appointed by the Board of Directors of the Company for a further period of 5 years w.e.f. 1st March, 2015 to 28th February, 2020, subject to approval of shareholders at the ensuing Annual General Meeting of the Company and the approval of applicable statutory authorities. The Board

recommends his re-appointment as Managing Director of the Company for a further period of 5 years w.e.f. 1st March, 2015.

Mr. Ramesh Savoor (DIN:00149089) and Mr. Krishnan Ramachandran (DIN:00193357) resigned from the Board with effect from 1st August, 2014 and 5th August, 2014 respectively. The Board expresses its appreciation to them for their invaluable guidance during their tenure as Directors of the Company.

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

Profiles of the Directors, as required by the Listing Agreement, are given in the Corporate Governance Report which forms part of this Annual Report and / or in the Notice.

In compliance with the Companies Act, 2013 and Clause 49 of the Listing Agreement, the performance evaluation of the Board was carried out during the year under review. More details on the same are provided in the Corporate Governance Report.

Auditors

M/s. Lovelock & Lewes, Chartered Accountants, Firm Registration No.301056E, Auditors of the Company who retire at the forthcoming Annual General Meeting are eligible for re-appointment and have expressed their willingness to accept office, if re-appointed. They have given a certificate to the effect that the re-appointment, if made, would be within the provisions of Section 139 & 141 of the Companies Act, 2013 and The Companies (Audit & Auditors) Rules, 2014. Your Directors recommend their re-appointment from the conclusion of the ensuing Annual General Meeting upto the conclusion of the next Annual General Meeting.

Auditors' Report

The Auditors have observed that: During the period, the Company paid managerial remuneration to its Managing Director which was in excess of the limits specified in the Companies Act 2013 as disclosed in Note 43 of the Standalone Financial Statements.

The members may note that your Company is in the process of obtaining Central Government approval for the same.

Subsidiary Companies

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies, which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary companies is also included in the Annual Report (AOC 1).

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, www.thomascook.in. Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company, www.thomascook.in. Accordingly, the said documents are not being attached to the Annual Report. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office.

As stipulated in Section 129 of the Companies Act, 2013 and Clause 32 of the Listing Agreement with the stock exchanges, the consolidated financial statements have been prepared by the Company in accordance with the applicable Accounting standards. There were no joint venture or associate companies during the period under review.

Members may note that Avon Facility Management Services Limited, Magna Infotech Limited and Hofincons Infotech & Industrial Services Private Limited, wholly owned subsidiaries of Quess Corp Limited (Quess) (previously IKYA Human Capital Solutions Limited) have amalgamated with Quess Corp Limited during the year.

Acquisitions

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

Sterling filed its scheme with Hon'ble High Court of Madras in June, 2014 and TCIL & TCISIL had filed the scheme with the High Court of Bombay in August 2014. The Shareholders and creditors of respective companies approved the scheme in the prescribed manner. On 13th April, 2015, Hon'ble High Court of Madras sanctioned the Scheme of Sterling. As on date, the Scheme filed by TCIL & TCISIL is yet to be sanctioned by Hon'ble High Court of Bombay.

Other Downstream Acquisitions

2014-2015 was an eventful period on the acquisition front with Quess closing 4 acquisitions (Hofincons, Brainhunter, MFX and Aramark India) in a space of 9 months.

- a) Hofincons:
 - a. Hofincons is a market leader in Industrial Asset Management in India with pre-acquisition revenue of INR 147 cr and EBITDA of INR 15 cr.
 - b. Quess acquired Hofincons from Transfield Services in July 2014 marking Quess' entry into Industrial Asset Management. The acquisition also complements Quess' Facility Management business by adding Hard Services to the service bouquet.
- b) Brainhunter:
 - a. Brainhunter is a Toronto headquartered IT staffing firm with pre-acquisition revenues of INR 415 cr.
 - b. Quess acquired Brainhunter from ICICI Bank in October 2014. The acquisition marks Quess' entry into the North American IT Staffing market.
- c) MFX:
 - a. Based out of Morristown, NJ (US), MFX is a leading provider of hosted information technology applications and outsourcing solutions for the U.S. commercial property and casualty insurance industry.
 - b. Quess acquired significant stake (49%) in MFX from Fairfax in November 2014 for a nominal consideration. The acquisition of remaining stake will be completed by end of 2015.

d) Aramark India:

- a. Headquartered in Mumbai, Aramark India (renamed as Aravon) is a facility management company with operations in more than 80 sites pan-India. The company has a workforce of over 2,500 employees spread across 9 states.
- b. Quess acquired Aravon from Aramark, USA, in April 2015. The acquisition is expected to give us a strong presence in Western India, in addition to providing a niche presence in Hospitality and Healthcare FM.

The above acquisitions are examples of Quess' philosophy of "deep value investing". All of these acquisitions are in areas that are contiguous to the business services space that Quess operates in and are expected to emerge as key drivers of growth and profitability going forward.

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

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

During the year, the foreign exchange earnings (on a standalone basis) amounted to ₹ 724.40 million, whereas, the Company has incurred ₹ 169.94 million as expenditure in foreign currencies towards interest, bank charges, license fees, professional fees, travelling, subscriptions, etc., as disclosed in Note 33 in the Notes to the accounts.

On a Consolidated basis, the foreign exchange earnings amounted to ₹ 3,329.4 million, whereas, the Company has incurred ₹ 268.3 million as expenditure in foreign currencies towards interest, bank charges, license fees, professional fees, travelling, subscriptions, etc.

Fixed Deposits

Your Company has not accepted deposits from the Public within the meaning of Section 58A of the Companies Act, 1956 / Section 73, 74 and 76 of the Companies Act, 2013 and Rules framed thereunder and as such no amount was outstanding on the date of the Balance Sheet.

Listing of Shares

Your Company is listed on two Stock Exchanges in India viz. BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai. The Company has paid the Listing Fees to both the Stock Exchanges for the Financial Years 2014-15 and 2015-2016.

Employees

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

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

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

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

Corporate Governance and the Management Discussion and Analysis Report

Your Company continues to be committed to good corporate governance aligned with the best corporate practices. It has also complied with various standards set out by Securities and Exchange Board of India and the Stock Exchanges where it is listed. The Management Discussion and Analysis Report forms part of this Annual Report.

For the period ended 31st March, 2015, your Company has complied with the requirements of Clause 49 of the Listing Agreement and other applicable rules and regulations with respect to Corporate Governance except clause 49(V)(D) in respect of formulating policy for determining 'material' subsidiaries, clause 49(VII)(C) and clause 49(VIII)(A) in respect of formulating policy on materiality of Related Party Transactions and policy on dealing with Related Party Transactions and disclosing the same on the website of the Company for the quarter ended 31st December, 2014. However, for the quarter ended 31st December, 2014, the Company submitted the Corporate Governance Report to the Exchanges on 14th January, 2015 with notes (remarks) indicating the reasons for non-compliance being that the policies were already framed but were only needed to be approved by the Board of Directors. Your Company complied with the requirements immediately in January, 2015.

A certificate from a Practising Company Secretary obtained by the Company regarding such compliance of conditions of Corporate Governance is annexed to this report.

Secretarial Audit

For the period ended 31st March, 2015, pursuant to the requirements of section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company obtained a Secretarial Audit Report (SAR) from Mr. Keyul M. Dedhia, Membership No: F7756 of Keyul M. Dedhia & Associates, Company Secretaries in Practice. As per statutory requirements, SAR forms part of this Annual Report.

The Secretarial Auditors have observed that, there was a delay by the Company in giving prior intimation of Board Meeting to the Stock Exchanges. Members may note that the reason for said delay was due to ascertainment of availability of the Directors for the meeting and the same was also clarified to the stock exchanges in the prescribed manner.

The Secretarial Auditors have observed that, certain designated employees of the Company had dealt in equity shares of the Company without obtaining prior approval/ without giving post transaction disclosures to the Compliance Officer and/or during non transaction period as per Company's prevention of insider trading code. The Company took necessary action in this respect including reporting to SEBI in the prescribed manner, where necessary.

The Secretarial Auditors have observed that, in one particular Corporate Governance Report filed by the Company with the Stock Exchanges, the Company informed about non-compliance of certain clauses of clause 49 of the Listing Agreement. Members may note that, However, the Board of Directors had approved and adopted the said policies in compliance with the requirements of Clause 49 aforementioned and a clarification in this respect was also given to Stock Exchanges. Members may note that, the policies were already framed but only needed to be approved by the Board of Directors which was subsequently complied with in January, 2015.

The Secretarial Auditors have observed that, the Competition Commission of India (CCI) had imposed a consolidated penalty of ₹ 10 million on