

THE CHAMPION SPIRIT

Thriving in the face
of challenges

Thomas Cook (India) Limited
Integrated Annual Report 2019-20



Shareholder Information

Board of Directors

Mr. Madhavan Menon	Chairman and Managing Director
Mr. Mahesh Iyer	Executive Director and Chief Executive Officer
Mrs. Kishori Udeshi	Non Executive Independent Director
Mr. Pravir Kumar Vohra	Non Executive Independent Director
Mr. Nilesh Vikamsey	Non Executive Independent Director
Mr. Sunil Mathur	Non Executive Independent Director
Mr. Chandran Ratnaswami	Non Executive Director
Mr. Sumit Maheshwari	Non Executive Director

Chief Financial Officer

Brijesh Modi

Company Secretary & Compliance Officer

Amit J. Parekh

Auditors

B S R & Co. LLP

Principal Bankers

(in alphabetical order)

Axis Bank Limited

Bank of America

HDFC Bank Limited

ICICI Bank Limited

IndusInd Bank Limited

Kotak Mahindra Bank Limited

RBL Bank

Standard Chartered Bank

State Bank of India

Registrars & Share Transfer Agents

TSR Darashaw Consultants Private Limited

6-10, Haji Moosa Patrawala Indl. Estate

20, Dr. E Moses Road, Mahalakshmi,

Mumbai - 400 011.

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Email Id: csg-unit@tsrdarashaw.com

Website: www.tsrdarashaw.com

Registered Office

Thomas Cook (India) Limited

CIN: L63040MH1978PLC020717

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Website: www.thomascook.in

Forward Looking Statements

Certain statements in this Report regarding our business operations may appear as forward-looking statements. These include all statements other than those of historical fact, regarding the financial position, business strategy, management plans and objectives for future operations. These statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in association with a discussion of future operational or financial performance. We cannot guarantee that these forward looking statements will be realised, although we believe to have been prudent in our assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Inside this report

We've had a challenging year but we faced it head on.

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About this report

The Thomas Cook India Group is pleased to present its second Integrated Annual Report which sets out the performance for the financial year ending 31 March, 2020. The report represents more than just a record of our performance during the year, it represents our continued commitment to transparency and accountability to our Stakeholders and aims to provide a balanced review of the Group's financial and non-financial performance, increasing the understanding of the Group's value creation mechanisms, business strategy and governance framework.

The report has been created in reference to the guiding principle of the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC).

Reporting boundary and scope

This report covers information on the Thomas Cook India Group, comprising the standalone entity, Thomas Cook (India) Limited (TCIL),

and its Indian and global subsidiaries and key investments. The Group's business model, along with strategic focus areas and associated risks, have been elucidated through the report to offer a holistic view of its long-term sustainability.

Reporting period

This Integrated Report is an annual publication and provides material information regarding organisational developments between April 1, 2019 to March 31, 2020 (FY20).

Non-financial reporting

The Report extends beyond financial reporting and includes non-financial performance, opportunities, risks & risk management strategy and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

Financial statements

This Integrated Report should be read in conjunction with the financial statements

(given from pages 145 to 312) to gain a complete picture of the Group's performance. This financial statements in the Integrated Report have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), and were independently audited. The Independent Auditor's Report for both consolidated and standalone financials can be found on pages 220 and 145, respectively.

Board and management assurance

The Board of Directors and our Management acknowledge the responsibility to ensure the integrity of this Integrated Report.

They believe that the Report addresses all material issues and presents the integrated performance of our Group and its impact in a fair manner. The report has, therefore, been authorised for release on June 18, 2020. All financial statements published in this report are as of March 31, 2020.

About Thomas Cook (India) Limited

WHO ARE WE

Thomas Cook (India) Limited is a leading integrated travel and travel-related services company with operations in 25 countries, across five continents through its Indian and global subsidiaries and key investments.

Promoted by Fairfax Financial Holdings Limited, through its wholly-owned subsidiary, Fairbridge Capital (Mauritius) Limited holding 65.60%, Thomas Cook India is focused on creating enduring stakeholder value since its incorporation in 1978.

WHAT DO WE DO

At the Thomas Cook India Group, we understand that travel and holidays are strongly reflective of one's personal choices and interests. Therefore, we specialize in offering curated, end-to-end travel solutions to our wide spectrum of customers and brand patrons, and catering to them with an expansive omnichannel reach.

Over the decades, we have grown by pursuing both organic and inorganic opportunities and currently own and operate an array of well-known travel service brands both in India and around the world, serving both B2B and B2C customers. We have three major business segments, namely Travel and Related Services, Financial Services and Strategic and Portfolio Investments.

TRANSACTIONS IN TRAVEL &
FINANCIAL SERVICES RELATED

3.7 mn+

RETAIL TOUCHPOINTS

630+

AIRPORT COUNTERS

27

MOBILE APP DOWNLOADS

6,00,000+

LEGACY OF OPERATING IN INDIA

139 years

NUMBER OF EMPLOYEES

9,400+

NUMBER OF BRANDS

19

NETWORK ACROSS

25 COUNTRIES

5 CONTINENTS



Global Presence



TRAVEL AND RELATED SERVICES



28

- Outbound travel
- Corporate travel
- MICE



KUONI | 騰景遊



- Destination Management Specialists:
- India inbound
- International inbound



- Visa



FINANCIAL SERVICES



38

- Foreign exchange
- Value added services



INVESTMENTS



40

- Strategic**
- Souvenir imaging
- Travel consulting



- Portfolio**
- Hospitality



Milestones

Starting our operations in India as early as the 19th Century, we have come a long way in becoming the preferred partner for millions of travellers. Our journey has been marked with several milestones, that have shaped, inspired and above all, motivated us to do more for our customers.

We commenced
our India operations
(Mumbai)

1881

1983

Initiated our journey
as a listed company

Acquisition of 87%
stake by Fairbridge in
our Company

AUG '12

MAY '13

Our Company acquires 74%
stake in Qess Corp (previously
IKYA Human Capital Solutions
Private Limited)

We announced merger
with Sterling Holiday
Resorts (India) in a
cash and stock deal

FEB '14

We completed
acquisition of Kuoni's
global DMS network
across 22 countries
and 5 continents

JUN '17

JUL '15

We acquired Luxe Asia via our
subsidiary Thomas Cook Lanka
(Pvt) Ltd.

Thomas Cook India Group approved the acquisition of a 24% strategic stake in TravelJunkie Solutions Private Limited

OCT '18

Completion of Corporate Restructuring process - Demerger of Human Resource Services Business of Thomas Cook (India) Ltd into Qess Corp Ltd on a going concern basis

TCIL acquired the rights to the Thomas Cook Brand in perpetuity for the India, Sri Lanka & Mauritius markets

SOTC celebrates its 70th Anniversary

Our Group acquired a 51% stake in DEI Holdings Limited (DEI)

MAR '19

MAR '18

DEC '19

OCT '17

Qess Corp has been re-classified as an associate company

We concluded acquisition of Forex and Travel businesses of Tata Capital

AUG '15

We acquired Kuoni Group's Travel operations in India and HK

COVID-19 and our response : A message from the Chairman

As I write this message, the world is combating the unprecedented challenges due to the COVID-19 pandemic, which has led us all into uncharted territory, as we face human, social and economic challenges. The severity, speed and scale of this pandemic is something most of us cannot have envisaged and this has resulted in profound changes in the way we function and organize our daily lives. The slow paced recovery of the global economy in recent years, continued throughout most of 2019, and unfortunately was brought to a complete halt with the advent of the COVID-19 pandemic.

Globally, the travel and tourism space is amongst the most impacted industries as travel was brought to a halt as countries restricted movement, imposed travel restrictions and suspended flights in order to contain the spread. In fact, the World Travel & Tourism Council (WTTC) has estimated the Travel & Tourism global economic impact of COVID-19 to be 5x the impact of the 2008 Global Financial Crisis. Thus, the travel and tourism industry is currently weathering a storm, the effects of which will continue to be felt for quarters to come.



Our Initiatives

As early as February 2020, your Company evaluated measures and steps which would help us safeguard broader level interests of the company and its associated partners & stakeholders. At the end of March 2020, we implemented a series of decisive actions designed to minimize the impact of the pandemic on our employees & customers and ensure that your Company is well prepared to weather the storm. Our global entities too ensured quick and timely actions to respond to the unfolding challenges in their respective markets. Such times call for a recalibrated approach and radical thinking to protect financial health as the companies in

the strongest financial position will be best placed to protect its people, retain the ability to serve customers and other stakeholders during and beyond this period of deep uncertainty. Thus, all adjustments required as a result were being made in parallel: reorganizing and creating flexible structures, reducing costs, increasing efficiency, rethinking business functioning and accelerating our focus on automation and new future-oriented technologies. Digital communication has played a pivotal role as we have been in constant touch with our customers and trade partners.



People

Maintaining the health and wellbeing of our employees

Upskilling & Training



Customers

Driving **Contactless** customer engagement

Adapting to new normal

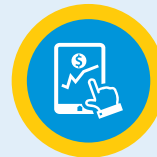
Launched Thomas Cook and SOTC's "Assured" Safe Travel Program



Company

Prudently managing our Costs: **Estimated Group Total Savings of Rs 5.6 bn in FY21**

Integration of key functions of TCIL & SOTC



Technology

Leveraging and scaling existing online infrastructure

Virtual outlets/Virtual Agent Networks



Innovation & Reimagining Business

Comprehensive "Reimagine Program" implemented across businesses & processes, to adapt to the COVID-19 era of travel

"Reimagine Program" across businesses

The COVID-19 emergency has spurred the need for re-thinking, re-imagining and re-discovering of capabilities in all aspects of business for us. As a Group led by innovation, the team rose up to the challenge and has taken decisive actions to stay relevant and more competitive than ever before.

By focusing completely on our customers, re-engaging our trade partners and fundamentally rethinking our relationship with all key stakeholders, we have managed to draw a **Comprehensive "Reimagine Program" which will be implemented across businesses & processes**, to adapt to the post pandemic era of travel. This will place your Company in a better position to step up and meet the unprecedented challenges of the COVID-19 outbreak.

Key aspects of this program are centered around the following:

- Health and safety at every stage: The Company has taken several measures adapting to the new normal by re-imagining businesses and capabilities with a primary focus on ensuring all ICMR/WHO safety and health protocols
- Contactless customer experience driven by omni-channel solutions for a touchless journey for customers to transact seamlessly
- Process reinvention which includes digitization of sales and customer lifecycle
- Technology driven business growth
- Greater application of Artificial Intelligence (AI) will further drive automation to improve cost efficiency & productivity
- Efficient capacity creation and productivity optimization will be critical in the next normal

Accelerating digitization

The Thomas Cook India Group in the past has continuously scaled its digital knowledge and business applications and used it as an enabler for growth. COVID-19 has reiterated the importance of technology in business as the lockdown demanded digital capabilities to be enhanced. We have equipped our employees with digital solutions to ensure business continuity while on a Work-From-Home (WFH) model. With the aim to drive contactless transactions, customers can connect and transact via multiple channels such as virtual outlet/agents via call, mobile apps and website. We are not only consistently imbibing new technologies for innovation but also for simplification and optimization of core processes with a view to create a deeper understanding of all stakeholder expectations and enhancing their experience.



The Holiday Readiness Travel Report - Future of Travel post COVID-19

Over 2,500 consumers across India's metros and Tier 1 & 2 cities were surveyed to capture key consumer behaviors and trends for travel during the COVID era. The prominent findings of this study highlighted that:

- Travel is set to rebound :14% respondents indicate that they will travel in 2020 when restrictions ease

- Key Travel Drivers: 64% are likely to opt for a domestic holiday in 2020; 36% international; 75% ranked health & safety as their #1 concern; 72% opting for reputed brands

For the detailed report, click [here](#): -

"Assured" Safe Travel Program

Customers have been clear that health, hygiene and safety is their prime concern when it comes to travel in the COVID-19 era and so, we have launched '[Assured](#)', a comprehensive program to safe travel in the COVID-19 era - partnering with Apollo Clinics - a member of the Apollo Hospitals Group, the expert in the healthcare sector. We have worked with partners across the travel eco-system to ensure meticulous health and hygiene protocols at every step of your journey: from sales/servicing outlets airports, transportation, accommodation, restaurants to attractions and sightseeing.

COVID-negative Certification Facilitation Services

During the pandemic a COVID-negative certificate has become a prerequisite to travel and also mandated by organisations as part of safety protocols. To support customers, your Company has hence launched COVID-negative certification services in association with ICMR accredited labs, pan India, becoming the first travel service provider to offer this as part of an integrated as well as standalone service.

Integration of key functions of TCIL & SOTC

Your Company has been in the process of integrating some of the backend functions of the two brands over the past year. With the COVID-19 challenges, we felt it appropriate to expedite the process to take advantage of the scale we would eventually derive. We are thus focused, on integration of our product, contracting and

operations to drive operational efficiencies, higher productivity and margin expansion. We believe this will provide us with competitive advantage in terms of domain knowledge, pricing and value, scalability and also the ability to provide a wider range of products / offerings to a broader segment of customers. We are also looking at potential synergies with common CRM and customer acquisition.

Customer Engagement during the lockdown:

In a meaningful initiative to stay in touch with our customers during the lockdown, our teams have reached out to customers to check on their well-being and safety and assist them.

In addition, we continue to stay engaged with interactive social media initiatives like our Travel Trivia quizzes, Travel Memories series, lockdown recipes and a memorable Lockdown Travel Awards with a live Zoom session hosted by Boman Irani.

Education-Training and Up-Skilling of our People:

To better equip our teams and thus ensure exceptional customer service, we rolled out engaging webinars conducted by experts from destinations, hotels, airlines and key partners. Over 1,150 sessions have been conducted with cumulative participation of over 86,800.

Key initiatives across Business Segments during COVID-19:

Foreign Exchange Services:

While emergency services were started on April 16th (for customers stranded during the pandemic), the entire product-service range was re-opened in May 2020 and I am delighted to update you that we turned positive the same month. Here are a few highlights:

- Over 20,000 transactions - across our retail and corporate segments; 91,000 Money Transfers

- Functional across 7 Airports that had restarted to assist repatriation customers
- 3,500 transactions from our wholesale segment from mid-May.
- Our unique B2B **Online Forex Tool** has gone live – to equip our Partners book transactions remotely

Leisure:

- Launched unique holidays based on pent up travel demand during the lockdown to offers a break from the combined stress of WFH and home chores.
- Your Company's Back To Life & Live it Up Holidays offers the reassurance of flexibility (with zero cancellation on changes up to 5 days prior departure).
- Convenient, easy access options like Staycations, Workations, Wellness, Affordable Luxury, Private Journeys/Van Tours, City Breaks offer affordable pricing and attractive value-add ons.

MICE:

- *MICE Plus* and *#NextinMICE*, strategic scalable digital platforms have been launched to deliver hybrid MICE solutions in the COVID-19 era.
- Key highlights include Digital Events & Engagements and Virtual travel vouchers; Strong focus on Health & Safety via the Assured Safe Travel Program
- Virtual Events have already been delivered during the lockdown as a hybrid model to ensure health-safety

Corporate Travel:

With the re-opening of domestic skies, while 70% of such emergency trips were understandably one-way, we are now seeing a strong increase in return trips- a welcome sign for our business.

- Corporate implant desks have been started, basis easing of restrictions and local approvals

- Seamless services to Corporates is ensured via our Corporate Off-Site Model
- We are honoured to have assisted over 10,000 customers via repatriation flights

In July 2020 Thomas Cook India signed an agreement with dnata Travel to take over their corporate travel portfolio in India and serve its existing clients.

India Destination Management Specialists:

While travel restrictions are easing on the domestic front, India is yet to open borders for international tourist arrivals, however till then we have concentrated our focus on reskilling and equipping business for future trade. We have curated a Staff Trainings and Engagement, Operational and Financial Transformation Project using Information Technology to revamp our business thinking. Some highlights are as below:

- ~50,000 man hours of trainings have been conducted comprising various domains and topics.
- Expanding the scope of existing technology as well as adopting new solutions to increase productivity
- Concentrated efforts to align with norms and expectations in the post COVID pandemic era

International Destination Management Specialists (DMS):

- The DMS entity Asian Trails operating in South East Asian region was the first to be impacted in early Q4 FY20 with travel restrictions and quarantine policies adopted by feeder countries such as China, Thailand, Malaysia, Singapore etc
- Entities operating in African markets (Private Safari EA & SA) witnessed a gradual slowdown starting in late Q4 FY20 as business was primarily driven by traditional European markets viz. France, Germany etc. which recorded infections and travel restrictions much later