

REIMAGINED & REENGINEERED FOR THE NEW ERA OF TRAVEL

Thomas Cook (India) Limited
Integrated Annual Report 2020-21



Shareholder Information

Board of Directors

Mrs. Kishori Udeshi	Chairperson and Non-Executive Director-Independent*
Mr. Madhavan Menon	Managing Director*
Mr. Mahesh Iyer	Executive Director and Chief Executive Officer
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
Mrs. Sharmila A. Karve	Non Executive Independent Director [#]
Mr. Gopalakrishnan Soundarajan	Non Executive Director [#]

* Designation changed wef 29th May, 2021

[#] Appointed wef 29th May, 2021

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
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai – 400083
Tel: +91 22 6656 8484
Fax: +91 22 6656 8494
Email Id: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Registered Office

Thomas Cook (India) Limited
CIN: L63040MH1978PLC020717
Thomas Cook Building,
Dr. D. N. Road, Fort,
Mumbai – 400 001
Tel: +91 22 4242 7000
Fax: +91 22 2302 2864
Email id: sharedept@thomascook.in
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.

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About this report

The Thomas Cook India Group is pleased to present FY 2021 Integrated Annual Report (IAR) to our stakeholders. The Company aims to report in a holistic, transparent and integrated manner to apprise its stakeholders of its performance, key trends and overall business strategies.

The IAR of the Group was developed to communicate with the providers of financial capital while taking into consideration the needs of all our stakeholders. We have therefore produced this report embedding the guiding principles and fundamental concepts contained in the International Integrated Reporting Council ("IIRC") framework.

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, 2020 to March 31, 2021 (FY21).

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.

Reporting Principle

The report is prepared as per the Integrated Reporting framework of International

Integrated Reporting Council (IIRC). The financial and statutory data presented in this report is as per the requirements of the Companies Act, 2013 (including the rules made thereunder); Indian Accounting Standards; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the Secretarial Standards. The Independent Auditor's Report for both consolidated and standalone financials can be found on pages 187 and 117, 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. All financial statements published in this report are as of March 31, 2021.

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.

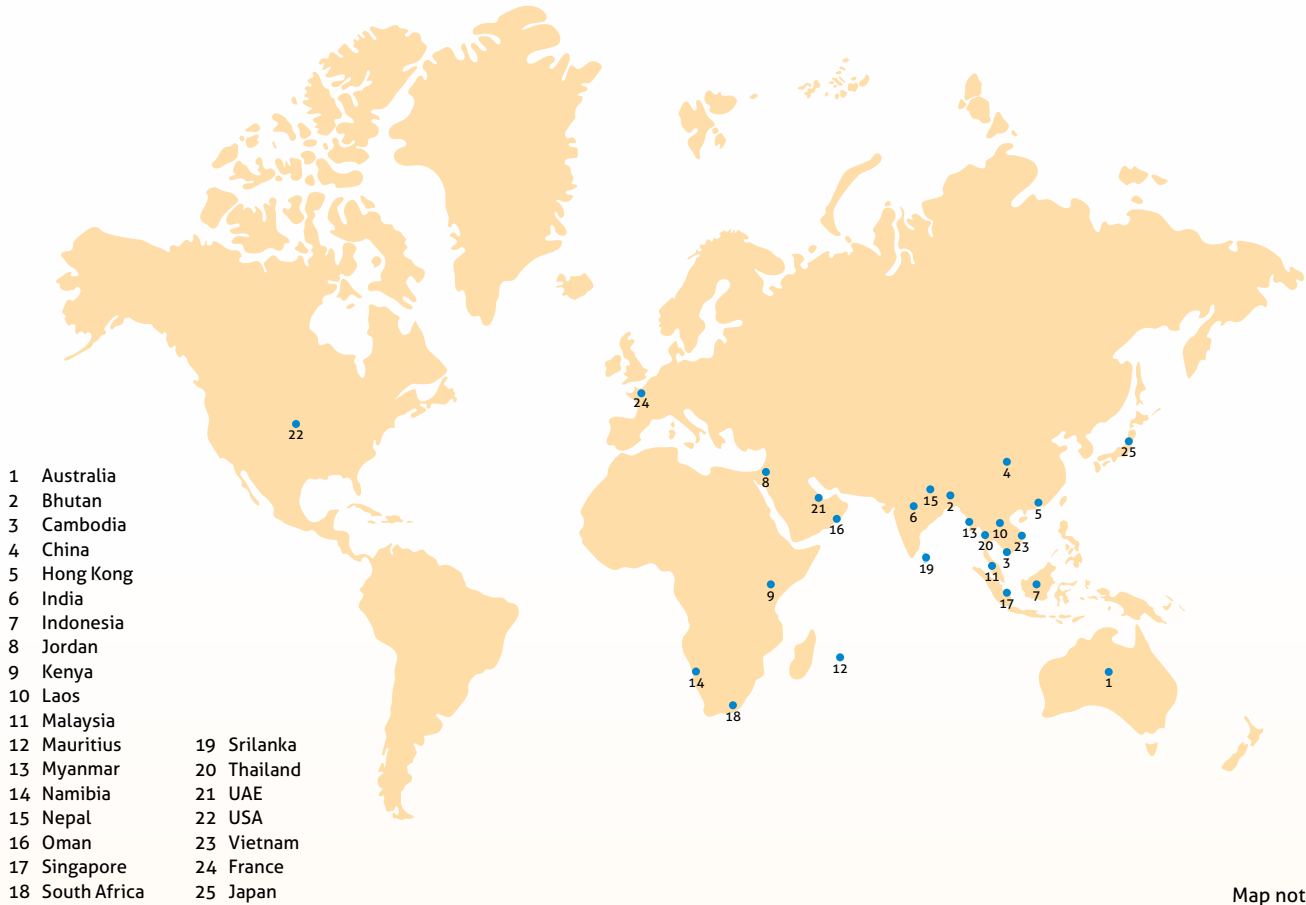
WHAT DO WE DO

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 as well as 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.



Global Presence



Map not to scale

TRAVEL AND TRAVEL RELATED SERVICES 26

Leisure Holidays (Outbound+Domestic) | Corporate travel | MICE



Visa



Destination Management Specialists:
India inbound & International inbound



FINANCIAL SERVICES 34

Foreign exchange | Value added services



INVESTMENTS 36

Strategic:
Souvenir imaging



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.

1881
We commenced our India operations (Mumbai)

1883
Initiated our journey as a listed company

AUG '12
Acquisition of 87% stake by Fairbridge in our Company

MAY '13
Our Company acquires 74% stake in Qess Corp (previously IKYA Human Capital Solutions Private Limited)

FEB '14
We announced merger with Sterling Holiday Resorts (India) in a cash and stock deal

JUL '15
We acquired Luxe Asia via our subsidiary Thomas Cook Lanka (Pvt) Limited

AUG '15
We acquired Kuoni Group's Travel operations in India and HK

JUN '17
We completed acquisition of Kuoni's global DMS network across 22 countries and five continents

OCT '17
We concluded acquisition of Forex and Travel businesses of Tata Capital

OCT '18
Thomas Cook India Group approved the acquisition of a 24% strategic stake in TravelJunkie Solutions Private Limited

MAR '18
Qess Corp has been re-classified as an associate company

DEC '19
Completion of Corporate Restructuring process - Demerger of Human Resource Services Business of Thomas Cook (India) Limited into Qess Corp Limited on a going concern basis

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

MAR '19
Our Group acquired 51% stake in DEI Holdings Limited (DEI)

MAR - APR '21
Preferential allotment of Optionally Convertible Cumulative Redeemable Preference Shares ('OCCRPS') to Fairbridge Capital (Mauritius) Limited on a private placement basis

JUL '20
Agreement to take over the portfolio of dnata Travel India's Corporate Travel business

“

MANAGING DIRECTOR'S MESSAGE

”



Dear Shareholders

I am glad to share that the Thomas Cook India Group stands strong despite having to face the most challenging period in our lifetime. We are continuing to adapt to the concerns and effects of the pandemic, while further strengthening our customer focus and accelerating our transformation while continuing to focus on sustainable and profitable growth.

**A year of
challenges,
leadership and
teamwork**

Covid-19 continues as a lingering black swan event and many lives have been lost and livelihoods impacted in a negative way. Every nation felt the full force of the unpredictable coronavirus pandemic - with the Travel and Tourism industry undoubtedly being impacted the most. While it is impossible not to be saddened by the devastation it has brought about, the pandemic has also summoned extraordinary resilience & innovation across the world.

The past year has challenged us in many different ways. But it was not without its own valuable lessons and opportunities. On the contrary, FY21 was a pivotal year in our transformational journey toward creating long-term value for our business and stakeholders. We were not only determined to keep raising the bar with our services, and everything within our means to lead the organization out of the pandemic and emerge stronger as travel and travel related services recovers rapidly going forward.

I truly believe that the past year belonged to active listeners, keen observers, and fast learners. Today, as I draft this message, I am constantly reminded about how far and fast the world has changed within the last twelve months. We have experienced profound changes starting with a heightened focus on health & safety, discovering the power of flexibility in businesses, to rapid digitalization to creating unique solutions in line with the new realities. A lot of what we see around today, very often, did not even exist a year back and yet, we have all seamlessly become a part of 'this new normal.'

As the pandemic raged, we launched a comprehensive Reimagine Program as our strategy to deal with the challenges and opportunities that the pandemic threw up. Driving it forward will help us grow along with the fundamental shifts in the sector and allow us to continually transform the business, leverage our strong brands, to delight more customers and in turn reward our investors and our people.

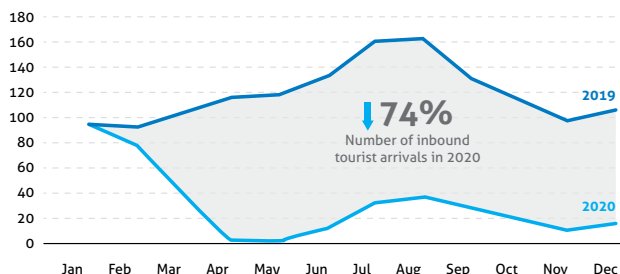
Macro-economic scenario:

Economies across nations have suffered the adverse impact of the multiple lockdowns and the consequent crisis to contain the spread of the pandemic. India witnessed one of the strictest lockdowns that has continued in different phases throughout twelve months and continues to be in existence as I write this letter. The pandemic's impact on society and economy started unfolding as it witnessed sharp de-growth and dampening business sentiment. Consumer demand remained muted with severe stress on household balance sheets due to growing unemployment, reduction in household incomes etc. As trade skewed negatively, the Government initiated measures around fiscal and monetary policies with an effort to curb economic disruption. With staggered and gradual easing of lockdowns, the second half of the year witnessed phased resumption of business across sectors and also bringing some respite to the travel segment. However, the second wave of Covid-19 once again slammed the brakes on an otherwise improving economic scenario. In these testing times, the rapid acceleration of vaccination drives around the world is a silver lining among these dark clouds. Countries worldwide including India have seen a decline in Covid-19 cases as vaccination efforts continue to ramp up. The International Monetary Fund forecasts India's gross domestic product (GDP) growth at 9.5% for FY22, factoring the hit on economic activity and demand due to the deadly 'second wave' of the Covid-19 pandemic.

Impact of COVID-19 on tourism:

A recent report by UN World Tourism Organization (UNWTO), indicated that international tourism and its closely linked sectors suffered an estimated loss of \$2.5 trillion in 2020 due to direct and indirect impacts of a steep drop in international tourist arrivals. With Covid-19 vaccinations being more pronounced in some countries than others, tourism losses are reduced in most developed countries but worsened in developing countries

Figure 1 International tourist arrivals (in thousands)



and this the asymmetric roll-out of vaccines magnifies the economic blow tourism has suffered in developing countries, as they could account for up to 60% of the global GDP losses. According to UNWTO, international tourist arrivals declined by about 1 billion or 74% between January and December 2020. In the first quarter of 2021, the UNWTO World Tourism Barometer points to a decline of 88%.

In India too, the successive waves of COVID-19 have devastated the travel and tourism industry. The green shoots and slow recovery recorded in the Q1 CY21 was diminished with the sudden onset of the second wave when localized lockdowns and restrictions imposed by various state governments crippled the tourism industry. According to the recent report - "India Tourism Statistics" published by the Ministry of Tourism, the Foreign Tourist Arrivals (FTAs) during January- April 2021 were 3,76,083 compared to 23,57,877 in January to April 2020, registering a fall of 84.0%.

India Key Data		
	2019	2020
Total contribution of Travel & Tourism to GDP: 6.9% of Total Economy Total T&T GDP = INR14,181.9BN (USD191.3BN)	4.7% of Total Economy Total T&T GDP = INR9,039.5BN (USD121.9BN)	-36.3% Change in Travel & Tourism GDP vs 7.1% real economy GDP change
Total contribution of Travel & Tourism to Employment: 40,111.9 Jobs (000s) (8.8 % of total employment)	31,785.2 Jobs (000s) (7.3 % of total employment)	-20.8% Change in jobs: -8,326.7 (000s)
Visitor Impact International: 2,282.3 BN Visitor spend 5.8% of total exports (USD30.8BN)	890.7 BN Visitor spend 2.5% of total exports (USD12.0BN)	-61.0% Change in international visitor spend: -USD 18.8 BN
Domestic: 10,384.8 BN Visitor spend (USD 140.1 BN)	7,201.4 BN Visitor spend (USD 97.1 BN)	-30.7% Change in domestic visitor spend: -USD 42.9 BN

Source: WTTC

Fiscal support: While the tourism and hospitality industry has made efforts to regenerate itself, it would be sometime before it returns to normal operations. Hence, Government's support is critical. For the dominant part of 2020, there was a lack of any umbrella direction from the Government or without any fiscal and monetary support. In June 2021, some economic relief measures were announced to boost sectors worst affected by the second wave of coronavirus.

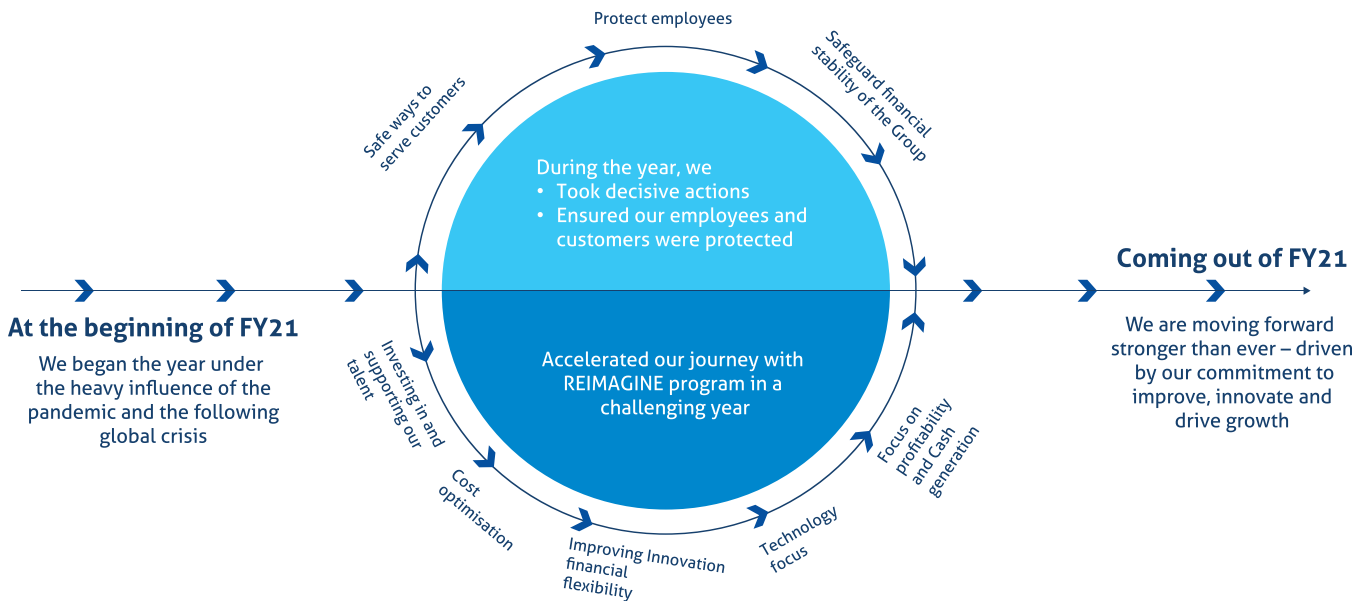
- ₹1.1 lakh crore loan guarantee scheme for COVID-affected sectors
- Additional ₹1.5 lakh crore under the Emergency Credit Line Guarantee Scheme (ECLGS)
- Loans will be provided with 100% guarantee with a limit of ₹10 lakh for travel and tourism stakeholders and ₹ 1 lakh for registered tourist guides
- RBI announced ₹15,000 cr special liquidity window for travel and tourism sector

Strong and Swift Action

The safety, health and well-being of our employees and partners is always our first priority. This year, we reflect on the serious challenges and uncertainty our business and our colleagues have faced. We pay tribute to every colleague affected and our thoughts are with those who have lost friends and loved ones.

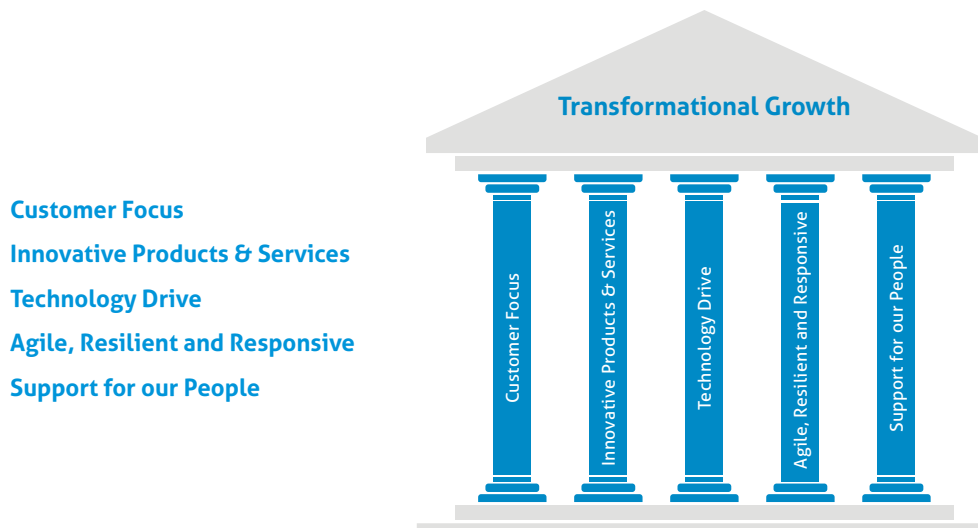
The impacts related to the global pandemic has been significantly negative for our Company, our customers, and our employees. When Covid-19 first emerged, we responded swiftly with a range of measures including preemptive restrictions, working from home where possible, digitalizing processes and systems, and intensifying hygiene and safety protocols. We shored up our balance sheet, reduced costs and adjusted many of our processes.

We summarize below how the pandemic has affected us and the actions we have taken:



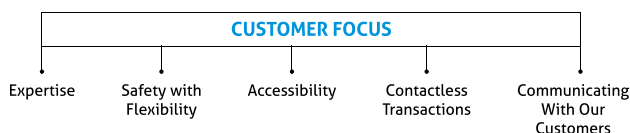
Building a stronger business through a difficult year

We are pleased with the progress we have made in weathering the storm to date. While the pandemic is far from over, more and more people are getting vaccinated every day, giving us hope that we are getting closer to normalcy. The timing of a full recovery cannot be predicted and recovery timelines are going to vary greatly by region, but we are optimistic about the global recovery and the return of travel.



Customer Focus

The Group bonded together to find innovative ways to address customer needs while putting the health, safety and wellbeing of our customers at the forefront. There has never been a more crucial time to play such an important role in the lives of our customers. We have sharpened our focus, accelerated our digital drive and supported our customers in adapting to the new normal.



Expertise:

Trust and assurance are commanding a premium in a post-pandemic world, and we offer our customers peace of mind when their experience is managed and operated by Thomas Cook India Group. Our Third Holiday Readiness Report (June 2021), indicated that 77% of our respondents expressed strong preference for interaction with an expert for guidance and reassurance. With demand for professional services growing faster than ever, we are ready to capitalise on this with our strong branding and abundant expertise.

Safety with Flexibility:

As the travel industry continues to slowly transition back to action, there are new factors travelers are putting an importance on. As per our survey, 66% respondents are willing to increase spends to ensure higher levels of health & safety on their holiday, while 81% respondents reiterated their need for refundable/zero cancellation products. Thus customers are not only placing high emphasis on health and safety, but also on flexibility. To that aim, Thomas Cook India & SOTC Travel have announced a two pronged strategy: TravShield and Holiday First and Pay When You Return to cover every aspect of physical and financial safety. TravShield, a comprehensive safe travel commitment is designed with meticulous health and safety protocols to safe guard customers across Holidays, MICE and Business Travel and encompasses and enhances the companies' existing Assured Insured Secured Travel Program. Our scheme - Holiday First, Pay After You Return: provides customers the flexibility and benefits of paying only once they return from their holiday.

Accessibility:

We're living in an omnichannel world and guided by our Reimagine Strategy, we are successfully enabling our customers smoothly traverse the physical and digital worlds with our omnichannel approach. Travellers today are neither purely online or offline. Over the last few years, we have strived to make all our product and service options available through all channels, which gives our customers the freedom to shop where, when and how they want. Our aim is to give them the best customer experience that is personalized, memorable and frictionless, wherever they are, via whichever channels they choose, and for whatever purposes they need.

Omni Channel Accessibility

Retail Stores

Web /Online

Mobile Apps

Social Media

Call Centers

Contactless transactions

As a Group, we continue to evolve the way we interact with our customers using digital solutions. This need has now become more prominent as we respond to new customer needs post-pandemic – one of them being attention to safety, increased speed and convenience. To this end, we have prioritized customer-centric drive towards digitization, which included establishing seamless virtual online store for both travel and forex services.

The demand for virtual and contactless sales and service, along with customer safety as the top priority, paved way for India's first - our Virtual Holiday Store – an innovative, interactive sales and service platform that combines the power of digital with the much loved Thomas Cook personal - human connect.

Communicating with our customers

Our customers' needs changed in the last year and the way we communicated with them changed, too. And we used this opportunity to reach our customers and sought their needs, views and preferences which would not only help customers to navigate the rapidly changing situation but also let us innovate and deliver on their demands.

- Holiday Readiness Reports
- Customer Engagement virtual shows
- Virtual Lockdown Travel Awards
- Newsletters
- Leadership talks

Innovative Products & Services

The growth driver for any business is the evolution of innovation which leverages the Group's knowledge and experience to create sustainable and high quality solutions to remain competitive and create a seamless consumer experience. As we defined new normal, we invested more than ever to rethink, reorganize and redefine how our businesses operate.

Transformation of our Product Journey

As the Group evolved with adoption of new technologies, so did the product and services profile. Digital has changed the way in which we extend our offerings to customers while adding to their need of convinced and at the same time ensuring safety and compliance.