



## COX AND KINGS (INDIA) LIMITED

(Our Company was incorporated as 'Eastern Carrying Company Limited' on June 7, 1939 under the Indian Companies Act, VII of 1913. The name was subsequently changed to 'Cox and Kings (India) Limited' and the consequent fresh Certificate of Incorporation was granted on February 23, 1950. Subsequently, after the amendment of Section 43A of the Companies Act 1956, the word "Private" was added to the name of our Company on October 12, 2001. Pursuant to a special resolution of our shareholders, our Company became a public limited company and a fresh Certificate of Incorporation with the current name was issued on March 28, 2007 by the Registrar of Companies, Maharashtra at Mumbai.)

**Registered & Corporate Office:** Turner Morrison Building, 1<sup>st</sup> Floor, 16 Bank Street, Fort, Mumbai - 400 001, Maharashtra, India. **Tel:** +91-22-2270 9100, **Fax:** +91-22-2270 4600.

For details of changes in name and Registered Office, please refer the chapter titled 'History and Other Corporate Matters' beginning on page 104 of this Red Herring Prospectus.

**Contact Person:** Ms. Rashmi Jain, Company Secretary & Compliance Officer; **Tel:** +91-22-22709100, **Fax:** +91-22-22709161 **Email:** ipo@coxandkings.com **Website:** www.coxandkings.com

**PUBLIC ISSUE OF 18,496,640 EQUITY SHARES OF RS. 10/- EACH OF COX AND KINGS (INDIA) LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS (●) PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. (●) PER EQUITY SHARE), CONSISTING OF A FRESH ISSUE OF 15,450,000 EQUITY SHARES BY THE COMPANY AND AN OFFER FOR SALE OF 3,046,640 EQUITY SHARES BY LEHMAN BROTHERS OPPORTUNITY LIMITED, DEUTSCHE SECURITIES MAURITIUS LIMITED AND MERRILL LYNCH CAPITAL MARKETS ESPANA, S.A., S.V. (THE "SELLING SHAREHOLDERS"), AGGREGATING TO RS. (●) MILLION (THE "ISSUE"). THE ISSUE COMPRISES OF A NET ISSUE TO THE PUBLIC OF 18,296,640 EQUITY SHARES OF RS. 10/- EACH (THE "NET ISSUE") AND A RESERVATION OF UP TO 200,000 EQUITY SHARES OF RS. 10/- EACH FOR THE ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) ON A COMPETITIVE BASIS (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE WOULD CONSTITUTE 29.40% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY. THE NET ISSUE WILL CONSTITUTE 29.08% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY.**

**PRICE BAND: RS. 316 TO RS. 330 PER EQUITY SHARE OF FACE VALUE RS. 10/- EACH**

**THE ISSUE PRICE IS 31.6 TIMES OF THE FACE VALUE AT THE LOWER END AND 33.0 TIMES OF THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND**

**THE PROMOTERS OF THE COMPANY ARE MR. A. B. M. GOOD, MR. AJAY AJIT PETER KERKAR, MS. URRSHILA KERKAR, MS. ELIZABETH KERKAR AND LIZ INVESTMENTS PRIVATE LIMITED**

In case of revision in the Price Band, the Bidding Period shall be extended for three additional working days after such revision, subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited (the "BSE") and the National Stock Exchange of India Limited (the "NSE"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager (the "BRLM") and the terminals of the other members of the Syndicate.

The Issue is being made through a 100% Book Building Process wherein up to 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers, out of which 5% of QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid bids being received at or above Issue Price. The QIB Portion includes Anchor Investor Portion (as defined in the section "Definitions and Abbreviations" on page i of this Red Herring Prospectus) and the Company may consider participation by Anchor Investors in the Net Issue for up to 2,744,496 Equity Shares in accordance with applicable SEBI Regulations. Further not less than 15% of the Net Issue shall be available for allocation on proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders subject to valid bids being received from them at or above the Issue Price. Further, up to 200,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid bids being received from them at or above the Issue Price.

Resident Retail Individual Investors may participate in this Issue through an Application supported by Blocked Amount providing details of the bank account in which the Bid Amount will be blocked by the Self Certified Syndicate Bank. For details please refer the chapter "Issue Procedure for ASBA Bidders" on page 415 of this Red Herring Prospectus

### IPO GRADING

This Issue has been graded by Credit Analysis & Research Limited ("CARE Limited"), a credit rating agency registered with the Securities and Exchange Board of India ("SEBI") and has been assigned the "CARE IPO GRADE 4" indicating above average fundamentals, through its letter dated September 17, 2009 which has been reaffirmed by the letter dated November 11, 2009 for a period of two months. The IPO grading is assigned on a 5 point scale from 1 to 5 with IPO Grade 5/5 indicating strong fundamentals and a IPO Grade 1/5 indicating poor fundamentals. For details regarding the grading of the Issue, please refer the section "General Information" and "Appendix A" beginning on page 11 and page 465 respectively of this Red Herring Prospectus.

### RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. **The face value of the Equity Shares is Rs. 10/- per Equity Share and the Issue Price of Rs. (●) per Equity Share is (●) times of the face value.** The Issue Price (as determined by the Company in consultation with the BRLM and the Selling Shareholders on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

### 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 Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. **Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page xv of this Red Herring Prospectus.**

### ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects 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 Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders accepts responsibility that this Red Herring Prospectus contains all information about each of them as a Selling Shareholder which is material in the context of the Offer for Sale.

### LISTING ARRANGEMENT

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Ltd ("BSE") and the National Stock Exchange of India Ltd. ("NSE"). We have received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters dated September 10, 2009 and September 11, 2009 respectively. For the purposes of this Issue, Bombay Stock Exchange Limited shall be the Designated Stock Exchange.

#### BOOK RUNNING LEAD MANAGER



**INDIA INFOLINE LIMITED**  
 10<sup>th</sup> Floor, One IBC, 841, Senapati Bapat Marg, Lower Parel,  
 Mumbai - 400 013, Maharashtra, India  
 Tel: +91 22 4646 4600, Fax: +91 22 4646 4700  
 E-mail: cnk.ipo@iiflcap.com; Website: www.iiflcap.com  
 Contact Person: Mr. Pinkesh K. Soni / Mr. Satish Ganega  
 SEBI Registration Number: INM 000010940

#### REGISTRAR TO THE ISSUE



**KARVY COMPUTERSHARE PRIVATE LIMITED**  
 Plot No. 17 to 24, Vithalrao Nagar, Madhapur,  
 Hyderabad - 500 081, Andhra Pradesh, India  
 Tel: + 91 40 2342 0815, Fax: + 91 40 2342 0814  
 E-mail: cnk.ipo@karvy.com; Website: www.karvy.com  
 Contact Person: Mr. M. Murali Krishna  
 SEBI Registration Number: INR 000000221

### BID / ISSUE PROGRAM

**BID / ISSUE OPENS ON: NOVEMBER 18, 2009\***

**BID / ISSUE CLOSES ON: NOVEMBER 20, 2009**

\*The Company may consider participation by Anchor Investors. The Anchor Investor Bid / Issue Period shall be one day prior to the Bid / Issue Opening Date.

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*Unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.*

Term	Description
‘Cox and Kings (India) Limited’ or ‘our Company’ or ‘Issuer’ or ‘Issuer Company’ or ‘the Company’	refers to Cox and Kings (India) Limited, a public limited company incorporated under the Companies Act, 1956, with its registered office at Turner Morrison Building, 1 <sup>st</sup> Floor, 16 Bank Street, Fort, Mumbai - 400 001, Maharashtra, India.
‘we’ or ‘us’ or ‘our’	refers to Cox and Kings (India) Limited and where the context requires including along with its subsidiaries and joint venture.
‘our Group’	refers to Cox and Kings (India) Limited and our subsidiaries and joint venture.

#### Company Related Terms:

Term	Description
Articles / Articles of Association / AoA	Articles of Association of our Company
Associate Company	Tulip Star Hotels Limited
Auditors	The statutory auditors of our Company, being Chaturvedi & Shah, Chartered Accountants
Board / Board of Directors	The board of directors of our Company or a committee constituted thereof
Corporate Promoter	Liz Investments Private Limited
Equity Shares	Equity Shares of the Issuer of Face Value of Rs 10/- each
Individual Promoters	Mr. A. B. M. Good Mr. Ajay Ajit Peter Kerkar Ms. Urrshila Kerkar Ms. Elizabeth Kerkar
Memorandum of Association	The Memorandum of Association of our Company
Promoter Group or Promoter Group Companies or Promoter Group Entities	1. Sneh Sadan Graphic Services Private Limited 2. Kubber Investments (Mauritius) Private Limited 3. Good Relations (India) Private Limited 4. Ezeego One Travel & Tours Limited 5. Forever Travel Distribution Private Limited 6. Far Pavilions Tours and Travels Private Limited 7. Tulip Star Hotels Limited 8. V Hotels Limited 9. Tulip Hotels Private Limited 10. ABK Enterprises Private Limited 11. Tulip Star Leisure & Health Resorts Limited 12. Environmental Journey's Limited 13. The Bolshoi Express Limited
Registered Office of the Company	The registered office of the Issuer, being Turner Morrison Building, 1 <sup>st</sup> Floor, 16 Bank Street, Fort, Mumbai - 400 001, Maharashtra, India
Subsidiaries of the Company	1. Clearmine Limited 2. ETN Services Limited 3. Cox and Kings Singapore Pvt. Limited 4. Cox & Kings Tours LLC 5. Cox & Kings Limited 6. Cox & Kings Travel Limited 7. Cox & Kings (Japan) Limited 8. Cox & Kings (Shipping) Limited 9. Cox & Kings Holdings Limited 10. Cox & Kings Enterprises Limited 11. C & K Investments Limited

Term	Description
	12. Grand Tours Limited 13. Cox & Kings Special Interest Holidays Ltd 14. Cox & Kings Tours Limited 15. Cox & Kings Investment Limited 16. Cox & Kings (Agents) Limited 17. Cox & Kings Finance Limited 18. Cox & Kings Finance (Mauritius) Limited 19. Cox & Kings (Australia) Pty Limited 20. Tempo Holidays Pty. Limited 21. Tempo Holidays NZ Limited 22. Quoprrro Global Services Pvt. Limited 23. Quoprrro Global Services Pte. Limited 24. East India Travel Company Inc. 25. Quoprrro Global Limited 26. Quoprrro Global Services Private Limited

**Issue Related Terms:**

Term	Description
Allocation	Allocation of Equity Shares pursuant to this Issue.
Allotment / Allotment of Equity Shares	Unless the context otherwise requires, Issue of Equity Shares of the Issuer pursuant to the Issue to the successful Bidders
Allottee	The successful Bidder to whom the Equity Shares would be issued.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor category, who has Bid for Equity Shares amounting to at least Rs.100 million.
Anchor Investor Margin Amount	An amount representing 25% of the Bid Amount payable by Anchor Investors at the time of submission of their Bid
Anchor Investor Portion	The portion of the Net Issue, being upto 2,744,496 Equity Shares or up to 30% of the QIB Portion
Anchor Investor Bid/ Issue Period	The date one day prior to the Bid/Issue Opening Date on which bidding by Anchor Investors shall open and shall be completed
Application Supported by Block Amount / ASBA	An application, whether physical or electronic, used by a Resident Retail Individual Bidder to make a Bid authorizing a SCSB to block the Bid Amount in their specified bank account maintained with the SCSB
ASBA Bidder	Any Resident Retail Individual Bidder who intends to apply through ASBA and (a) is bidding at Cut-off Price, with single option as to the number of shares; (b) is applying through blocking of funds in a bank account with the SCSB; (c) has agreed not to revise his/her bid; and (d) is not bidding under any of the reserved categories
ASBA Bid cum Application Form / ASBA BCAF	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of this Red Herring Prospectus and the Prospectus
ASBA Public Issue Account	A bank account of the Company under Section 73 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders
Bankers to the Company	State Bank of Patiala and State Bank of India
Banker (s) to the Issue / Escrow Collection Bank (s)	The banks, which are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Escrow Account will be opened and for the purpose of this Issue will be Axis Bank Limited, Deutsche Bank, HDFC Bank Limited, Standard Chartered Bank, State Bank of India and The HongKong and Shanghai Banking Corporation Limited.
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in 'Issue Procedure – Basis of Allotment' on page 405 of this Red Herring Prospectus

<b>Term</b>	<b>Description</b>
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto. For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by a Resident Retail Individual Investor to subscribe for the Equity Shares at the Cut-off Price.
Bidder(s)	Any prospective investor who makes a Bid for Equity Shares pursuant to the terms of this Red Herring Prospectus and Bid cum Application Form through the Book Building Process
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid cum Application Form / Bid Form	The form in terms of which the bidder shall make an indication to make an offer to subscribe or to purchase the Equity Shares of our Company and which will be considered as the application for allotment of the Equity Shares in terms of this Red Herring Prospectus
Bid / Issue Closing Date	The date after which the Syndicate Member(s) to the Issue or SCSBs (in case of ASBA Bidders) shall not accept Bids for the Issue; any such date shall be notified through a notice in an English national newspaper, a Hindi national newspaper and a Marathi news paper
Bid / Issue Opening Date	The date on which the Syndicate Member(s) to the Issue or SCSBs (in case of ASBA Bidders) shall start accepting Bids for the Issue; any such date shall be notified through a notice in an English national newspaper, a Hindi national newspaper and a Marathi news paper
Bidding Period / Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which period prospective investors (other than Anchor Investors) can submit their Bids, including any revisions thereof
Book Building Process/ Method	Book building route as provided in Schedule XI of the SEBI Regulations, in terms of which this Issue is being made.
BRLM	Book Running Lead Manager to the Issue, in this case being India Infoline Limited.
BSE	Bombay Stock Exchange Limited
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN / Confirmation of Allocation Note	The note, advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, Rs 330 per Equity Share in the Issue, above which the Issue Price will not be finalized and above which no bids will be accepted
Companies Act/ The Act	The Companies Act, 1956, as amended from time to time
Controlling Branches	Such branches of the SCSB which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchanges and a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>
Cut-off / Cut-off Price	Any price within the Price Band finalized by our Company, in consultation with the BRLM. A Bid submitted at Cut-off Price by Retail Individual Bidders is a valid Bid at all price levels within the Price Band. Only Retail Individual Bidders and Eligible Employees are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding Rs.100,000. QIBs and Non-Institutional Bidders are not entitled to bid at the Cut-off Price.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
DP / Depository Participant	A depository participant as defined under the Depositories Act
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum

<b>Term</b>	<b>Description</b>
	Application Form used by ASBA Bidders and a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account(s) to the Public Issue account or the amount blocked by the SCSBs is transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall allot/transfer Equity Shares to successful bidders
Designated Stock Exchange	Bombay Stock Exchange Limited
Director(s)	Director(s) of our Company, unless otherwise specified
Draft Red Herring Prospectus / DRHP	The Draft Red Herring Prospectus dated August 20, 2009 issued in accordance with Section 60B of the Companies Act and SEBI Regulations, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. It carries the same obligations as are applicable in case of a Prospectus
Eligible Employee	Eligible Employee means (a) a permanent employee of the Company as of the date of filing this Red Herring Prospectus with the RoC and based, working and present in India as on the date of submission of the Bid cum Application Form, and/or (b) A Director of the Company, being a whole time Director, part time Director, or otherwise except our Promoters or members of the Promoter Group, as of the date of filing this Red Herring Prospectus with the RoC and based, working and present in India as on the date of submission of the Bid cum Application Form.
Eligible NRI	NRI from such jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby.
Employees Reservation Portion	The portion of the Issue being up to 200,000 Equity Shares available for allocation to Eligible Employees as defined herein
Equity Shares	Equity shares of our Company of Rs. 10/- each unless otherwise specified in the context thereof
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques / demand drafts in respect of the Bid amount when submitting a Bid and in which account the cheques / demand drafts will be deposited by the Syndicate Member(s)
Escrow Agreement	Agreement dated [●] entered into amongst our Company, the Selling Shareholders, the Registrar, the Escrow Collection Bank(s), the BRLM and the Syndicate Member(s) for collection of the Bid Amounts and for remitting refunds (if any) of the amounts collected, to the Bidders (excluding the ASBA Bidders) on the terms and condition thereof
Financial Year/ Fiscal/ FY	The twelve months or period ended March 31 of a particular year
ESOS	Employees Stock Option Scheme
ESPS	Employees Stock Purchase Scheme
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form
Floor Price	The lower end of Price Band, Rs. 316 per Equity Share in this Issue, below which the Issue Price will not be finalized and below which no Bids will be accepted
Fresh Issue	Issue of 15,450,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] each by the Company
India Infoline/ IIFL	India Infoline Limited
Issue/ Issue Size	Public Issue of 18,496,640 Equity Shares of Rs. 10/- each of Cox and Kings (India) Limited for cash at a price of Rs. [●] per Equity Share (including a Share Premium of Rs. [●] per Equity Share), consisting of a Fresh Issue of

<b>Term</b>	<b>Description</b>
	15,450,000 Equity Shares by the Company and an Offer for Sale of 3,046,640 Equity Shares by Lehman Brothers Opportunity Limited, Deutsche Securities Mauritius Limited and Merrill Lynch Capital Markets Espana, S.A.,S.V aggregating to Rs. [●] million (the "Issue"). The Issue comprises of a Net Issue to the public of 18,296,640 Equity Shares of Rs. 10/- each (the "Net Issue") and a reservation of up to 200,000 Equity Shares of Rs. 10/- each for the Eligible Employees (as defined herein) on a competitive basis (the "Employee Reservation Portion").
Income Tax Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally accepted accounting principles in India
Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date
Issue Price	Price determined by us in consultation with the BRLM and Selling Shareholders on the Pricing Date after the Bidding Period and which shall be set forth in the Prospectus to be filed with RoC
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount, as applicable
Members of the Syndicate	The BRLM and the Syndicate Member(s)
Monitoring Agency	State Bank of India
Mutual Funds	Mutual Funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Funds Portion	5% of the QIB Portion or up to 457,416 Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion. And the remaining QIB Portion would be available for allocation to the QIB Bidders including Mutual Funds, subject to valid bids being received at or above the Issue Price.
Net Issue / Net Issue to the Public	The Issue less the Employee Reservation Portion, subject to any addition of Equity Shares pursuant to any under-subscription under the Employee Reservation Portion.
Net Proceeds	The proceeds of the Fresh Issue, after deducting the Issue related expenses attributable to the Company.
Non-Institutional Bidders	All Bidders that are neither Qualified Institutional Buyers nor Retail Individual Bidders and who have bid for an amount of more than Rs. 100,000/-
Non-Institutional Portion	The portion of the Net Issue being not less than 15% of the Net Issue i.e. 2,744,496 Equity Shares available for allocation to Non-Institutional Bidders,
Non Residents	A person resident outside India, as defined under Foreign Exchange Management Act.
NRI / Non-Resident Indian	A non-resident is a person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs and includes overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time. Pursuant to the existing regulations, OCBs are not eligible to participate in this Issue.
Offer for Sale	Transfer of 3,046,640 Equity Shares by the Selling Shareholders

<b>Term</b>	<b>Description</b>
Pay-in-Date	The Bid/Issue Closing Date with respect to the Bidders whose Margin Amount is 100% of the Bid Amount and the last date specified in the CAN with respect to the Bidders whose Margin Amount is less than 100% of the Bid Amount, provided however, for Anchor Investors, the Pay-in Date shall be within two days of the Bid/Issue Closing Date, in accordance with the SEBI Regulations.
Pay-in-Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date; and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date specified in the CAN, provided however, for Anchor Investors, the Pay-in Period shall mean the period from the Anchor Investor Bid/Issue Date until two days after the Bid/Issue Closing Date.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	The price band with a minimum price of Rs. 316 per Equity Share (Floor Price) and the maximum price of Rs. 330 per Equity Share (Cap Price) (both inclusive), including any revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by the Company in consultation with the BRLM and advertised in a English national daily, a Hindi national daily and a Marathi daily with wide circulation at least two working days prior to the Bid/Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM and the Selling Shareholders finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC in terms of Section 60 of the Companies Act, containing inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information.
Public Issue Account	In accordance with Section 73 of the Companies Act, 1956, an account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date
Qualified Institutional Buyers (QIBs)	Public Financial Institutions as defined in Section 4A of the Companies Act, FIIs registered with SEBI, other than which is a foreign corporate or foreign individual, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million, pension funds with minimum corpus of Rs. 250 million in accordance with applicable law and National Investment Fund
QIB Margin Amount	An amount representing at least 10% of the Bid Amount those QIBs are required to pay at the time of submitting their Bid.



<b>Term</b>	<b>Description</b>
QIB Portion	The portion of the Net Issue being up to 50% of the Net Issue i.e. 9,148,320 Equity Shares available for allocation to QIB Bidder(s). The QIB Portion includes Anchor Investor Portion for upto 2,744,496 Equity Shares in accordance with applicable SEBI Regulations.
Red Herring Prospectus / RHP	This Red Herring Prospectus dated November 11, 2009 issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are issued and size of the Issue. This Red Herring Prospectus will be filed with the RoC at least 3 (three) days before the opening of the Bid / Issue and will become a Prospectus after filling with RoC after the pricing and allocation
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means funds through ECS, NEFT, Direct Credit or RTGS as applicable
Refund Account	Account opened with an Escrow Collection Bank(s) from which refunds of the whole or part of the Bid Amount (excluding to the ASBA Bidders), if any, shall be made
Refund Bank	In this case being Axis Bank Limited.
Registrar / Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have not Bid for Equity Shares for an amount more than or equal to Rs.100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Net Issue being not less than 35% of the Net Issue i.e. 6,403,824 Equity Shares available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders, excluding ASBA Bidders, to modify the quantity of Equity Shares or the Bid Price in any of the Bid options as per their Bid cum Application Form and as modified by their subsequent Revision Form(s), if any
RoC / Registrar of Companies	Registrar of Companies, Maharashtra, located at Everest 5 <sup>th</sup> Floor, 100 Marine Drive, Mumbai – 400 002, Maharashtra
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SCSB / Self Certified Syndicate Bank	The Banks which are registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Guidelines	The rescinded, SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Securities Act	The U.S. Securities Act of 1933, as amended.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
Selling Shareholders	Collectively, Lehman Brothers Opportunity Limited, Deutsche Securities Mauritius Limited and Merrill Lynch Capital Markets Espana, S.A.,S.V.
Stock Exchanges	BSE and NSE
Syndicate	The BRLM and Syndicate Member(s)
Syndicate Agreement	The agreement dated [●] to be entered into among our Company, the Selling Shareholders and the members of the Syndicate, in relation to the collection of Bids in this Issue (excluding Bids from the ASBA Bidders).
Syndicate Member (s)	India Infoline Limited and Axis Bank Limited

<b>Term</b>	<b>Description</b>
Transaction Registration Slip / TRS	The slip or document registering the Bids, issued by the Syndicate Member(s) or the SCSB (only on demand) to the Bidder as proof of registration of the Bid upon submission of the Bid-cum-Application Form in terms of this Red Herring Prospectus
Underwriters	The BRLM and the Syndicate Member(s)
Underwriting Agreement	Agreement dated [●] among the Syndicate, the Selling Shareholders and our Company to be entered into on or after the Pricing Date

#### General Terms and Abbreviations:

<b>Term</b>	<b>Description</b>
A/c	Account
AGM	Annual General Meeting
AoA	Articles of Association
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year in accordance with Income -Tax Act
AED	Arab Emirates Dirham
BSE	Bombay Stock Exchange Limited
CA	Chartered Accountant
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Ltd.
CEO	Chief Executive Officer
CIN	Company Identity Number
CY/ Calendar Year	A period of twelve months ended December 31 of that particular year unless otherwise stated.
DIN	Director's Identification Number
DP	A depository participant as defined under the Depositories Act, 1996
DRHP	Draft Red Herring Prospectus
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations framed there under
FII(s) / Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor
FY / Financial Year	A period of twelve months ended March 31 of that particular year unless otherwise stated.
GAAP	Generally Accepted Accounting Principles
GBP	Great Britain Pounds
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GOI /GoI	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
I. T. Act	The Income Tax Act, 1961, as amended from time to time
I.T. Rules	The Income Tax Rules, 1962, as amended from time to time
Mn / mn / Mln	Million

<b>Term</b>	<b>Description</b>
MAPIN	Market Participant and Investor Database
MICR	Magnetic Ink Character Recognition
MIS	Management Information System
MNC	Multi National Company
MoA	Memorandum of Association of the Issuer
MoU	Memorandum of Understanding
N. A.	Not Applicable
NAV	Net Asset Value
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Ltd.
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PAT	Profits After Taxation
PBDIT/ EBIDTA	Profit before Depreciation, Amortisation ,Interest and Tax
PBT	Profits Before Taxation
P/E Ratio	Price/Earnings Ratio
QIB	Qualified Institutional Buyer
RBI	The Reserve Bank of India
RoC	Registrar of Companies, located at Mumbai, Maharashtra.
RoNW	Return on Net Worth
Rs. / Rupees / INR	Indian Rupees
Registration Act	Registration Act, 1908
RTGS	Real Time Gross Settlement System
SBI	State Bank of India
SCRR	Securities Contract Regulations Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
UIN	Unique Identification Number
YoY	Year on Year

**Industry Related Terms:**

<b>Term</b>	<b>Description</b>
AD	Authorised Dealer
B2B	Business to Business
B2C	Business to Customers
CRS	Central Reservation System
FFMC	Full Fledged Money Changer
FHRAI	Federation of Hotels and Restaurants Association of India
FITs	Flexible Individual Travellers'
Forex	Foreign Exchange
GSA	General Sales Agent
MICE	Meetings Incentives Conferences Exhibitions
PSA	Preferred Sales Agent
RMC	Restricted Money Changer
TAFI	Travel Agents Federation of India
WTTC	World Travel and Tourism Council
MICE	Meetings Incentives Conferences Exhibitions

All other words and expressions used but not defined in this Red Herring Prospectus, but defined in the Companies Act, 1956, the SEBI Regulations or in the Securities Contracts (Regulation) Act, 1956 and/ or the Rules and the Regulations made thereunder, shall have the meanings respectively assigned to them in such Acts or the Rules or the Regulations made thereunder or any statutory modification or re-enactment thereto, as the case may be.

## CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

*In this Red Herring Prospectus, unless the context otherwise requires, all references to gender also refer to the other gender*

### **Certain Conventions**

In this Red Herring Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms all references to “we”, “us”, “our”, “Company”, “our Company” are to Cox and Kings (India) Limited and all references to “our Group” are to its Group Companies and Subsidiaries. All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

### **Financial Data**

Unless indicated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements as of and for the years ended on March 31, 2005, 2006, 2007, 2008, 2009 and for the three months period ended June 30, 2009, prepared in accordance with generally accepted accounting principles followed in India (*‘Indian GAAP’*) and the Companies Act and restated in accordance with the SEBI Regulations, as stated in the report of our Statutory Auditors, M/s. Chaturvedi & Shah, Chartered Accountants, included in this Red Herring Prospectus.

Our fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year are to the 12-month period ended March 31 of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP, generally accepted accounting principles in the United Kingdom (*‘U.K. GAAP’*); accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. The Company has not attempted to quantify the differences between Indian GAAP and U.K. GAAP or their impact on the financial data included herein, and you should consult your own advisors regarding such differences and their impact on our financial data.

### **Currency and units of Presentation**

In this Red Herring Prospectus, all references to ‘Rupees’ / ‘Rs.’ / ‘INR’ are to Indian Rupees, the official currency of the Republic of India. All references to ‘\$’ / ‘US\$’ / ‘USD’ / ‘U.S. Dollar(s)’ / ‘US Dollar(s)’ are to the United States Dollars, the official currency of the United States of America. All references to ‘GBP’ / ‘£’, are to the Great Britain Pounds. All references to ‘JY’ are to the Japanese Yen. All references to ‘SD’ are to Singapore Dollars. All references to ‘AED’ are to the Arab Emirates Dirham.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lakhs’ or ‘ten lacs’, the word ‘Lakhs / Lacs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten millions’ and ‘billion / bn. / Billions’ means ‘one hundred crores’.

### **Exchange Rates**

This Red Herring Prospectus contains translations of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Item (VIII) (G) of Part A of Schedule VIII to the SEBI Regulations. These translations should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

Unless, otherwise stated, the Company has in this Red Herring Prospectus used a conversion rate as mentioned below. Such translations should not be considered as a representation that such U.S Dollar amounts have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all.

The US Dollar exchange rate data for the last 5 years from Bloomberg website is as given below:

1 USD = Rs.43.75 as on March 31, 2005  
1 USD = Rs.44.62 as on March 31, 2006  
1 USD = Rs.43.48 as on March 30, 2007  
1 USD = Rs.40.12 as on March 31, 2008  
1 USD = Rs.50.73 as on March 31, 2009  
1 USD = Rs.47.91 as on June 30, 2009

The Great Britain Pound exchange rate data for the last 5 years from Bloomberg website is as given below:

1 GBP = Rs.82.69 as on March 31, 2005  
1 GBP = Rs.77.52 as on March 31, 2006  
1 GBP = Rs.85.55 as on March 30, 2007  
1 GBP = Rs.79.58 as on March 31, 2008  
1 GBP = Rs.72.67 as on March 31, 2009  
1 GBP = Rs.78.85 as on June 30, 2009

The Japanese Yen exchange rate data for the last 5 years from Bloomberg website is as given below:

1 JY = Rs.0.41 as on March 31, 2005  
1 JY = Rs.0.38 as on March 31, 2006  
1 JY = Rs.0.37 as on March 30, 2007  
1 JY = Rs.0.40 as on March 31, 2008  
1 JY = Rs.0.51 as on March 31, 2009  
1 JY = Rs.0.49 as on June 30, 2009

The Singapore Dollar exchange rate data for the last 3 years from Bloomberg website is as given below:

1 SD = Rs.26.50 as on March 31, 2005  
1 SD = Rs.27.61 as on March 31, 2006  
1 SD = Rs.28.65 as on March 30, 2007  
1 SD = Rs.29.16 as on March 31, 2008  
1 SD = Rs.33.31 as on March 31, 2009  
1 SD = Rs.33.10 as on June 30, 2009

The Arab Emirates Dirham exchange rate data for the last 3 years from Bloomberg website is as given below:

1 A.E.D. Dirham = Rs. 11.93 as on March 31, 2005  
1 A.E.D. Dirham = Rs. 12.15 as on March 31, 2006  
1 A.E.D. Dirham = Rs. 11.84 as on March 30, 2007  
1 A.E.D. Dirham = Rs. 10.92 as on March 31, 2008  
1 A.E.D. Dirham = Rs. 13.81 as on March 31, 2009  
1 A.E.D. Dirham = Rs.13.04 as on June 30, 2009

The Australian Dollar exchange rate data for the last 5 years from Bloomberg website is as given below:

1 AUD = Rs. 33.81 as on March 31, 2005  
1 AUD = Rs. 31.97 as on March 31, 2006  
1 AUD = Rs. 35.15 as on March 30, 2007  
1 AUD = Rs. 36.63 as on March 31, 2008  
1 AUD = Rs. 35.07 as on March 31, 2009  
1 AUD = Rs. 38.63 as on June 30, 2009

The New Zealand Dollar exchange rate data for the last 5 years from Bloomberg website is as given below:

1 NZD = Rs. 31.13 as on March 31, 2005  
1 NZD = Rs. 27.50 as on March 31, 2006  
1 NZD = Rs. 31.06 as on March 30, 2007  
1 NZD = Rs. 31.53 as on March 31, 2008

1 NZD = Rs. 28.39 as on March 31, 2009

1 NZD = Rs.30.93 as on June 30, 2009

Throughout this Red Herring Prospectus, currency figures have been expressed in 'million / Mn. / Millions' except those, which have been reproduced / extracted from sources as specified at the respective places.

### **Industry and Market Data**

Unless stated otherwise, industry data/ market data used in this Red Herring Prospectus has been obtained from industry publications. 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 that the industry data/ market data used in this Red Herring Prospectus is reliable, it has not been verified by any independent source. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.

Further, the extent to which the market and industry data presented in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases like ‘will’, ‘aim’, ‘will likely 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 could be ‘forward looking statements’. Similarly, the statements that describe our objectives, strategies, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions 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 not limited to:

- Our ability to successfully implement our strategy, growth and expansion plans, technological initiatives;
- Our ability to attract and retain qualified personnel;
- Market fluctuations and industry dynamics beyond our control;
- Fluctuations in operating costs and impact on the financial results
- Our ability to manage the third party risks;
- Our ability to successfully launch new services;
- Any adverse outcome in legal proceedings in which we are involved;
- Potential mergers, acquisitions or restructuring;
- Our ability to meet our capital expenditure requirements and/or increase in capital expenditure;
- Changes in political and social conditions in India or in countries that we may enter, the monetary policies and/or fiscal policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- The performance of the financial markets in India and globally;
- Changes in laws and regulations relating to the industries in which we operate;
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Changes in technology in future; and
- Increasing competition or other factors affecting the industry segments in which our Company operates;

For further discussion of factors that could cause our actual results to differ, please refer to the section titled ‘*Risk Factors*’ and ‘*Management’s Discussion and Analysis of Financial Condition and Results of Operations*’ beginning on pages xv and 218 of this Red Herring Prospectus. 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 be materially different from those that have been estimated. Neither our Company, the Selling Shareholders nor the BRLM 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 or differ from actuality. In accordance with SEBI requirements, our Company, the Selling Shareholders and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to the Issue.



## SECTION II: RISK FACTORS

### RISK FACTORS

An investment in the Equity Shares involves a degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters entitled 'Our Business' beginning on page 76 of this Red Herring Prospectus and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on page 218 of this Red Herring Prospectus as well as the other financial and statistical information contained in this Red Herring Prospectus. Any of the following risks as well as other risks and uncertainties discussed in this Red Herring Prospectus could have a material adverse impact on our business, financial condition and results of our operation and could cause the trading price of our Equity Shares to decline which could result in the loss of all or part of your investment.

The Red Herring Prospectus also contains forward looking statements that involve risks and uncertainties. Our 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 Red Herring Prospectus.

Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Red Herring Prospectus, including 'Financial Statements' included in this Red Herring Prospectus beginning on page 171. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP.

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 specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

#### 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

##### *Risks related to Our Company and Our Business*

1. *Our Company and our Associate Company are involved in a number of legal and regulatory proceedings that, if determined against the Company, could have a material adverse impact on our Company*

Our Company and our Associate Company are party to various legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities / other judicial authorities, and if determined against us, could have an adverse impact on the business, financial condition and results of operations. No assurances can be given as to whether these legal proceedings will be decided in our favour or have no adverse outcome, nor can any assurance be given that no further liability will arise out of these claims. Any adverse decision may have a significant effect on our business and reputation, financial condition and results of operations.

We have in the past paid and been held liable to pay damages in consumer disputes on the alleged deficiency of services. There have been instances, in the past, wherein the District Forum has found us guilty of providing deficient service and we have been made to pay damages for providing such deficient service. Damages awarded by Indian Courts may vary and is unpredictable. If any of the current pending consumer disputes are resolved against us and we

are made liable to pay damages to the consumer, we may be required to restrict or modify our operations. Since these proceedings allege deficiency in providing service, any adverse decision will affect our reputation in the market.

**Legal Proceedings initiated against us:**

Type of legal proceedings	Number of pending cases/show cause notices/summons	Financial implications (to the extent quantifiable) (Rs. in Millions)
Civil Cases	8	1300.81
Criminal Cases	1	Not quantifiable
Consumer Cases*	96	39.3
Trademark Oppositions	15	Not quantifiable

\*of these in 15 cases our Directors have also been made a party.

**Legal Proceedings involving our Associate Companies -Tulip Group:**

Type of legal proceedings	Number of pending cases/show cause notices/summons	Financial implications (to the extent quantifiable) (Rs. in Millions)
Civil Cases	6	1,093.5
Criminal Cases	3	413.9
Arbitration Proceedings	3	8504.2
Special Leave Petition	2	Not quantifiable
Company Petition	3	Not quantifiable
Labour Case	1	Not quantifiable
Debt Recovery Cases	2	347.0
Tax related Cases	12	128.1

For more information regarding these legal proceedings, please refer to the chapter titled ‘Outstanding Litigation and Other Material Developments’ beginning on page 244 of this Red Herring Prospectus.

**2. Some of our Promoters and Promoter Group Entities are involved in certain legal and regulatory proceedings**

Some of our Promoters, Promoter Group Entities and Associate Companies are involved in certain legal and regulatory proceedings initiated by or against certain parties. The cases filed against our individual Promoters are in their official capacity as Directors of our company. All these proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals. Though we are not a direct party to these legal proceedings or in any ways connected with these legal proceedings, any adverse order can affect our reputation and consequently our brand name could be adversely affected. A brief summary of these legal proceedings involving them is given below:

**Legal Proceedings initiated against the Promoters:**

Type of legal proceedings	Number of pending cases/show cause notices/summons	Financial implications (to the extent quantifiable) (Rs. in Millions)
<b>Urrshila Kerkar</b>		
Civil Cases	3	1,080.0
<b>Ajay Ajit Peter Kerkar</b>		
Civil Cases	2	1,080.0
Criminal Writ Petition	1	Not Quantifiable

**Legal Proceeding against our Promoter Group Entities:**

*Ezeego One Traves and Tours Limited*

Type of legal proceedings	Number of pending cases/show cause notices/summons	Financial implications (to the extent quantifiable) (Rs. in Millions)
Consumer Cases	9	3.9

*Far Pavilions Tours and Travels Private Limited*

Type of legal proceedings	Number of pending cases/show cause notices/summons	Financial implications (to the extent quantifiable) (Rs. in Millions)
Civil Cases	1	28.5

For more information regarding these legal proceedings, please refer to the chapter titled ‘Outstanding Litigation and Other Material Developments’ beginning on page 244 of this Red Herring Prospectus.

**3. Our Contingent Liabilities could adversely affect our financial condition.**

As on June 30, 2009, we had Contingent Liabilities (standalone) of Rs.1,857.41 Mn which are not provided for and which could adversely affect our financial condition. These Contingent Liabilities as certified by our Statutory Auditors are detailed in Annexure XIV to the Company’s Financial Statements beginning on page 171 of this Red Herring Prospectus. As on June 30, 2009, our consolidated Contingent Liabilities were of Rs.1,866.67 Mn the details of which are given below:

- Guarantees given by banks Rs 23.38 Mn
- Claims against the Company not acknowledged as debts estimated at Rs. 174.36 Mn
- Disputed income tax demand Rs 131.33 Mn. The Company has made advance payment of Rs 65.06 Mn against the same.
- Guarantees given to bank for loan taken by wholly owned subsidiary company Rs. 1,537.60 Mn

**4. Our Company had negative cash flows in recent fiscals.**

Our cash flows for the last 3 financial years are as follows:

Particulars	Amount in Rs. Millions			
	Three months Period ended June 30, 2009	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007
Net cash from (used in) Operating Activities	904.95	(958.31)	(139.38)	224.46
Net cash from (used in) Investing Activities	(1139.33)	(1384.17)	(86.38)	(295.36)
Net cash from (used in) Financing Activities	713.16	2037.31	380.73	(130.45)
<b>Net increase in Cash &amp; Cash Equivalents</b>	<b>478.79</b>	<b>(305.16)</b>	<b>154.97</b>	<b>(201.35)</b>
<i>Add: on acquisition of Subsidiaries</i>	<i>23.47</i>	<i>443.04</i>	<i>231.61</i>	-
<b>Balance of Cash &amp; Cash Equivalents</b>	<b>1120.94</b>	<b>618.68</b>	<b>480.81</b>	<b>94.22</b>

For further details on the same please refer to the chapter ‘Management’s Discussion on Financial Condition and Results of Operations’ on page 218 of this Red Herring Prospectus.

5. **We have in the past entered into related party transactions and may continue to do so in the future.**

We have, in the course of our business entered into transactions with related parties that include entities forming part of our Promoter Group. For details please see section titled “Related Party Transactions” in Annexure VII to the Company’s Financial Statements beginning on page 171 of this Red Herring Prospectus. The cumulative figure of related party transactions for the last 5 years is as follows:

*Amount in Rs. Millions*

Particulars	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005
Payments to Related Parties	415.21	175.23	281.69	142.96	26.72
Receipts from Related Parties	933.37	746.80	11.29	4.14	160.32

While we believe that all such transactions have been conducted on an arms-length basis and contain commercial terms, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

6. **Our 10 group companies have incurred losses and 6 group companies had negative Net Worth in the past.**

Our 10 out of 26 group companies have incurred losses in all or some of the last three years, as set forth below:

*(In Rupees Millions)*

Name of our Subsidiary	Profit/(Loss) After Tax for the Year Ended		
	31-Mar-07	31-Mar-08	31-Mar-09
ETN Services Limited	(1.21)	11.13	34.14
Cox and Kings Singapore Pvt. Limited	(1.06)	(3.32)	(4.58)
Cox & Kings Tours LLC	(1.40)	(7.18)	59.48
Cox & Kings (Japan) Limited	(0.31)	31.48	97.92
Cox & Kings Finance (Mauritius) Limited	(0.14)	(0.20)	(0.51)
Cox & Kings (Australia) Pty Limited*	NA	NA	(92.49)
Tempo Holidays NZ Limited <sup>#</sup>	(2.90)	(3.83)	(0.68)
Quoprrro Global Services Pvt. Limited*	NA	NA	(0.35)
Quoprrro Global Services Pte. Limited*	NA	NA	(5.68)
Royale India Tour Company Ltd.*	NA	NA	(6.74)

\*first year of audit since incorporation; <sup>#</sup>The figures from July 01, 2006 to March 31, 2008 are not available as they were not audited u/s 19 of the Financial Reporting Act, 1993, New Zealand

Our 6 out of 26 group companies have negative Net Worth in all or some of the last three years, as set forth below:

*(In Rupees Millions)*

Name of our Subsidiary	Net Worth As On		
	31-Mar-07	31-Mar-08	31-Mar-09
Cox and Kings Singapore Pvt. Limited	1.63	(1.68)	(7.03)
Cox & Kings (Shipping) Limited	(0.39)	(0.39)	(0.35)
Cox & Kings Special Interest Holidays Ltd	(2.93)	(2.93)	(2.73)
Cox & Kings Finance (Mauritius) Limited	(1.50)	(1.70)	(2.73)
Tempo Holidays NZ Limited <sup>#</sup>	(2.87)	(6.68)	(0.49)
Quoprrro Global Services Pvt. Limited*	NA	NA	(0.25)

\*first year of audit since incorporation; <sup>#</sup>The figures from July 01, 2006 to March 31, 2008 are not available as they were not audited u/s 19 of the Financial Reporting Act, 1993, New Zealand

For further details on our corporate promoters and promoter group entities, please refer the chapter entitled “History and Other Corporate Matters” on page 104 of this Red Herring Prospectus.

7. *We have capital commitments to subsidiaries and any failure in performance, financial or otherwise, of our subsidiaries in which we have made investment could have a material adverse effect on our reputation, business, prospects, financial condition and results of operations of our Company”*

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 investments made by our Company to our subsidiaries as on June 30, 2009 is as follows:

<b>Investments In Subsidiary Companies</b>	<b>Amount Rs. Millions</b>
Clearmine Limited	163.39
Cox and Kings Singapore Pvt. Limited	2.88
Cox & Kings Tours LLC	3.67
Cox & Kings Ltd	390.28
Cox & Kings (Japan) Ltd	20.25
Cox & Kings (Australia) Pty. Ltd	85.51
Quoprro Global Services Private Limited	0.10
<b>Total</b>	<b>666.08</b>

8. *Our corporate promoter and 11 of our promoter group entities have incurred losses and 9 of our promoter group entities had negative Net Worth in the past.*

Our corporate promoter and entities forming part of our promoter group have incurred losses in all or some of the last three years, as set forth in the table below:

*(In Rupees Millions)*

<b>Name of the Company</b>	<b>Profit/(Loss) After Tax for the Year Ended</b>		
	<b>31-Mar-07</b>	<b>31-Mar-08</b>	<b>31-Mar-09</b>
Liz Investments Private Limited	(6.03)	(23.51)	(8.90)
Sneh Sadan Graphic Services Private Limited	(0.51)	(0.97)	(1.14)
Good Relations (India) Limited	2.13	3.94	(1.25)
Ezeego One Travels and Tours Limited	(0.55)	(581.10)	(618.84)
Forever Travel Distribution Private Limited	(5.75)	(30.71)	(38.29)
Far Pavilions Tours and Travel Private Limited	(15.84)	(11.60)	(17.51)
Tulip Star Hotels Limited	292.35	(86.43)	(20.74)
V Hotels Limited	(443.47)	(192.73)	(408.10)
Tulip Hotels Private Limited	(41.82)	(30.11)	(42.36)
ABK Enterprises Private Limited	(5.10)	(9.37)	(0.11)
Tulip Star Leisure & Health Resorts Ltd.	(4.36)	(1.80)	(2.86)
Kubber Investments (Mauritius) Private Limited*	NA	(33.62)	(44.14)

*\*incorporated in March 2007 and its financial results since then have been audited.*

Nine of our promoter group companies have negative Net Worth in all or some of the last three years, as set forth in the table below:

*(In Rupees Millions)*

Name of the Company	Net Worth As On		
	31-Mar-07	31-Mar-08	31-Mar-09
Ezeego One Travels and Tours Limited	99.89	(481.21)	(1100.26)
Far Pavilions Tours and Travel Private Limited	(49.53)	(61.12)	(78.74)
V Hotels Limited	(1,723.01)	(1,915.66)	(2323.76)
Tulip Hotels Private Limited	(119.64)	(149.74)	(192.1)
ABK Enterprises Private Limited	(5.33)	(14.70)	(14.80)
Tulip Star Leisure & Health Resorts Ltd.	(38.93)	(40.72)	(43.58)
Kubber Investments (Mauritius) Private Limited*	NA	(37.70)	(81.80)
The Bolshoi Express Limited	(17.91)	(16.72)	(15.58)
Forever Travel Distribution Private Limited	(5.73)	18.70	(19.68)

*\*incorporated in March 2007 and its financial results since then have been audited.*

For further details on our corporate promoters and promoter group entities, please refer the chapter titled “Our Promoters and Promoter Group Companies” on page 150 of this Red Herring Prospectus.

**9. Our indebtedness and the conditions and restrictions imposed by our financing and other agreements could adversely affect our ability to conduct our business and operations.**

We have incurred a substantial amount of indebtedness which could adversely affect our financial condition. As on September 30, 2009, we had total debt of approximately Rs. 2,913.14 million. In addition, we may incur substantial additional indebtedness in the future. Our indebtedness could have several significant consequences, including but not limited to the following:

- we may be required to dedicate a portion of our cash flow towards repayment of our existing debt which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- fluctuations in market interest rates may affect the cost of our borrowings since a majority of our indebtedness is payable at variable rates.

The financing agreements with our lenders contain restrictive covenants that require us to maintain certain financial ratios and seek the prior permission of these banks/financial institutions for various activities. One such restrictive covenant gives the lenders affirmative right to appoint /remove two nominee Directors from the Board of Directors (who shall not be liable to retire by rotation or possess any share qualification).

Though we have received necessary approvals from our lenders for this Issue, these restrictive covenants may also affect some of the rights of our shareholders, including the payment of the dividends. There could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial covenants of such indebtedness.

Some of our fixed assets both movable and immovable properties and current assets (both present and future) have been mortgaged and/or charged including by way of second charge including charge over the escrow of credit card receivables of the Company, pledge of shares held as investment by the Company, personal guarantees by Promoters and corporate guarantees by Company and Group Companies as well as counter guarantees of the Company, in favour of lenders pursuant to the financing agreements. The Lender shall also have an unconditional power of attorney with respect to the security and all insurance claims shall be used to satisfy the loans.

Our inability to repay our loans or obtain a discharge of our security may result in enforcement or foreclosure proceedings against us, which may adversely affect our ability to conduct our business. We believe that our

relationships with our lenders are good, and we have in the past obtained consents from them to undertake various actions and have informed them of our activities from time to time. Compliance with the various terms is, however, subject to interpretation and we cannot assure that we have requested or received all consents from our lenders that are required by our financing documents. There can also be no assurance that we will receive any required consents on time or at all. If we fail to obtain such consent, it may adversely affect our ability to conduct our business and operations or implement our business plans.

For the details on our indebtedness, restrictive covenants by the lenders and the underlying charge / security, please refer to the chapter titled “Financial Indebtedness” beginning on page 239 of this Red Herring Prospectus.

**10. *We have not entered into definitive agreements to utilize our Issue proceeds. Our fund requirements are based on internal management estimates and any increase in the actual deployment of funds may cause an additional burden on our finance plans. Some of our Issue proceeds will be utilized for the repayment of debt.***

We have not entered into definitive agreements to utilize our Issue proceeds. Further, we propose to use Rs.1500 Mn i.e. [●] % of our Issue proceeds for acquisitions and other strategic initiatives. As of the date of this Red Herring Prospectus, we have identified potential targets and are in negotiations with them. However, we have not yet entered into any definitive/contractual commitment for any acquisition, investment or joint venture. We also intend to utilize part of the Issue Proceeds, i.e. Rs.500 Mn for our new corporate office in Mumbai and Rs.100 Mn for expansion of our office in Delhi, for which again though we are in the process of identifying suitable premises we have not yet finalized on the same. For the proposed corporate office in Mumbai, we have estimated the cost involved in setting up our Corporate Office based on the quotations obtained through a property consultant, We have also estimated investments in our subsidiaries to the extent of Rs.625 Mn towards their working capital needs due to increased business and capital expenditures for setting up new centers for visa processing. We have not entered into any definitive agreements for these expenditures as on the date of this Red Herring Prospectus. However, pending use of the funds for these purposes, we intend to invest the funds in high quality, interest/dividend bearing liquid instruments, including deposits with banks in accordance with investment policies approved by our Board or any committee thereof duly empowered from time to time and other conditions of the Monitoring Agency

As on the date of this Red Herring Prospectus, we have not incurred any expenses towards the aforementioned objects. The aforementioned fund requirements are based on internal management estimates and on the basis of quotations obtained, wherever possible, and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, etc. With increase in costs, our actual deployment of funds may exceed our estimates and may cause us an additional burden on our finance plans. Some portion of our Issue proceeds would be utilized towards repayment of our existing debt that is to the tune of Rs.1296 Mn, [●] % of our Issue proceeds. However, we believe our repayment of interest bearing debt will help us to reduce our ‘Interest and Finance Charges’ and will improve our net earnings in the future. Further, it will help us to improve our ability to leverage equity for our future needs towards any of our existing operations and towards newer opportunities that we may identify. For further details please refer chapter titled “Objects of the Issue” on page 38 of this Red Herring Prospectus.

**11. *There are 14 trademark applications pending with the Trademark office for registration. Our success depends on our trademarks and proprietary rights and any failure to protect our intellectual property rights may adversely affect our competitive position.***

Our Company’s business might be affected due to our inability to protect our existing and future intellectual property rights. We own various intellectual property rights, in particular, trademarks, which are fundamental to our brand, which gives us a competitive advantage. We use our intellectual property rights to promote and protect the goodwill of our brand, enhance our competitiveness and otherwise support our business goals and objectives.

As of the date of this Red Herring Prospectus, 13 of our marks are pending registration and renewals under various classes of the Trademarks Act, 1999. With respect to the registration of our corporate logo, as per the website of the Trademarks Registry the logo indicates it to be registered, however, we are yet to receive the Certificate of Registration for the same. Further, opposition cases have been filed with the Trademark Registry against registering our mark as a trademark. Any delay or refusal to register these trademarks could adversely affect our business. We cannot guarantee that all the pending applications will be decided in the favour of our Company. If any of our trademarks are not

registered it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease. For more details please refer to the heading “Intellectual Property” on page 355 of this Red Herring Prospectus.

**12. *We currently require 52 regulatory approvals or licenses in the ordinary course of business and the failure to obtain them in a timely manner or at all may adversely affect our operations.***

We currently require 52 approvals, licenses, registrations and permissions for operating our business, some of which are due to expire and for which we have either made or are in the process of making an application for obtaining the approval or its renewal. If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, our operations could be affected. For the list of licenses which are pending renewal, please see the chapter entitled “Government and Other Approvals” beginning on page 350 of this Red Herring Prospectus.

Furthermore, the success of our strategy to expand our existing business and operations or acquire new business is contingent upon, inter alia, receipt of all required licenses, permits and authorizations, including local permits. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for our proposed operations. While we believe that we will be able to renew or obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations or delay in or prevent our expansion plans and may have a material adverse effect on our business, financial condition and results of operations.

**13. *Our promoters and our promoter group entities have equity interests in affiliated companies that offer services that are related to our business, which may create conflicts of interest.***

Our promoters and our promoter group entities have equity interests in other companies that offer services that are related to our business, such as Ezeego One Travels and Tours Limited (Ezeego), Forever Travel Distribution Private Limited (Forever) and Far Pavilions Tours and Travels Private Limited (Far Pavilions). Ezeego and Forever are in the business of online ticketing and selling travel products and Far Pavilions is in charter business. We hold 14.98% in Ezeego and 83.2% is jointly held by Ms. Urrshila Kerkar and Mr. Ajay Ajit Peter Kerkar. Ezeego holds 52% in Forever and Far Pavilions is jointly held by Ms. Urrshila Kerkar and Liz Investments Private Limited (in which Ms. Urrshila Kerkar and Mr. Ajay Ajit Peter Kerkar jointly hold 99.46%).

There may be conflicts of interest in addressing business opportunities and strategies in circumstances where our interests differ from other companies in which one or more of our promoters or our promoter group has an interest. None of our promoters or our promoter group has undertaken to refrain from competing with our business or obligated to direct any opportunities in the tour and travel industry to us. There could be possibilities where new business opportunities which could be available to us may be directed to these affiliated companies instead. Our promoters and our promoter group may also confine us from entering into certain businesses related to our own, which may be important for our growth in the future, as they may already have interests in other similar businesses. Besides, some of our promoter directors are also on the Board of Directors of these companies and this may further such conflict of interest.

**14. *Our Company was unable to trace certain secretarial records and have relied on a search report of the RoC records conducted by an independent practicing company secretary***

Our Company was unable to trace secretarial records of RoC filings in respect of allotment of 100,000 equity shares of our Company in the years 1982, 1983 and 1985. In the absence of complete records, we have disclosed the built up of our Share Capital during this period on the basis of our audited financial statements of these relevant years, search report and as corroborated with entries in the Register of Members maintained by us.

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

We believe that our brand is well respected and recognised in the market today. Continuing efforts towards building and sustaining our brand 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 revenue, and even if they do, any incremental revenue may not offset the expenses we incur in building our brand. If we fail to promote and maintain our brand, our business, financial condition and results of operations could be adversely affected.

**16. *Our inability to manage our 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. We have experienced high growth in recent years and expect our business to continue to grow significantly, including internationally. Although we plan to continue to expand our scale of operations through organic growth and investments in other entities, there could be a possibility that we may not grow at a rate comparable to our growth rate in the past, either in terms of income or profit.

Further, such 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.

**17. *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. We may not be able to identify or conclude appropriate or viable acquisitions in a timely manner. Further, 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 integrating operations, assimilating the personnel, operations, technology and assets of the acquired company. In addition, we may experience difficulty in harmonizing cultures leading to a non-realisation of anticipated synergies or efficiencies from such acquisitions, these difficulties could impact our on-going business. These difficulties may disrupt our ongoing business, distract our Management and employees and increase our expenses.

Failure to successfully identify and conclude acquisitions or manage the integration of the businesses acquired or the performance of such businesses being below expectations may cause profitability and operations to suffer. The success of our business will depend greatly on our ability to implement our business and strategies effectively. Even if we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of our targeted clients. Our inability to manage our business and strategies could have an adverse effect on our business, financial condition and profitability. Please refer “Our Business Strategy” on page 80 of this Red Herring Prospectus.

**18. *We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all.***

We may require additional funds in connection with other future business expansion and development initiatives. In addition to the net proceeds of this offering and our internally generated cash flow, we may need additional sources of funding to meet these requirements, which may include entering into new debt facilities with lending institutions or raising additional debt in the capital markets. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. If we decide to raise additional funds through the issuance of equity (other than through a rights issue to the existing shareholders), the ownership interest of our existing shareholders will be diluted. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of any acquisition plans or implementation of our business development plans and this may affect our business and future results of operations.

**19. *We are operating in geographies / overseas markets and products / services which are new to us and some of our subsidiaries and joint venture have not yet commenced commercial operations.***

To accelerate our growth we are exploring newer geographies and businesses which are of strategic fit to our existing operations. During fiscal 2009, we made few acquisitions which have exposed us to geographies / overseas markets which are new to us. We acquired Tempo Holidays Pty Ltd. based in Australia with its wholly owned subsidiary Tempo Holidays NZ Ltd. in New Zealand. We also recently completed acquisition of East India Travel Company Inc., which is in the business of selling upmarket tour and travel packages in the US. Though we had presence in Australia and US earlier through our representative office and branch respectively, we may not have significant past experience in these geographies / overseas markets in selling our travel products / services. Our inexperience in new geographies may affect our execution capabilities and may lead to any adverse effect on our business, profitability, financial conditions and results of operation.

Moreover, we continuously evaluate ideas that strategically fit our existing business and expand the products and services that we offer to our customers. Recently we forayed in visa processing services for diplomatic missions and got approval from the diplomatic mission of India at Singapore for outsourcing their visa processing activities. We have also formed a Joint Venture with IRCTC under the name of “Royale Indian Rail Tours Limited” to operate a luxury train in India where we will leverage our overseas offices to market the product globally. Though we have provided visa processing services to our customers and have sold train based tourism products in the past, we may not have significant experience in operating these new businesses which could lead to any adverse effect on our business, profitability, financial conditions and results of operation.

Besides, we are scheduled to commence operations for our luxury train based tourism from January 2010. While we believe that the joint venture will commence commercial operations, we cannot guarantee the same in time, or at all, or whether their operations would be successful and profit making.

**20. *We are vulnerable to failures of our information technology systems, which could adversely affect our business. We also rely on external information technology infrastructure for our business, any failure of such infrastructure would adversely affect us.***

Our information technology systems are a critical part of our business and help us manage client details, bookings, schedules and inventory. Any technical failures associated with our information technology systems, including those caused by power failures and computer viruses and other unauthorized tampering, may cause interruptions in our ability to provide services to our clients. Corruption of certain information could also lead to delayed or inaccurate scheduling in our tour. All of this could affect our quality of services and may damage our reputation. In addition, we may be subject to liability as a 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. Further, we have entered into an agreement with global distribution system providers and use their information technology systems for our business. Any technical failure of their systems or interruption in their services due to any reason may hamper our business and would adversely affect us.

**21. *We have, in the past, relied on our Promoters to provide guarantees and pledge of their securities and other assets to our lenders to assist us in funding our expansion which may not necessarily be available in the future.***

We have historically depended on guarantees and share pledges provided to our lenders by our Promoters and our Promoter Group in order to help fund our expansion plans, as well as improvements to our existing infrastructure and other business requirements. The Promoters and other members of the Promoter Group have not committed to provide such forms of credit support on a going-forward basis. Although we expect that in the future such forms of credit support will be unnecessary in light of our improved liquidity due to the completion of the Issue, as well as increased income from operations as our existing business mature, we may be unable to obtain future funds from lenders on favorable terms or at all without such support, and without such support our expansion plans may be curtailed.

**22. *We may fail to attract and retain enough sufficiently trained employees needed to support our operations and growth.***

The Tour and Travel Industry is highly labour intensive and our success, to a significant extent, depends on our ability

to attract, hire, train and retain qualified employees. The industry, including our Company, experiences employee turnover. There is significant need for professionals with skills necessary to perform the services we offer to our clients. It is possible that we may lose our skilled and trained staff to our competitors. High attrition rates in particular, could result in a loss of domain and process knowledge, which could result in poor service quality and lead to breaches by us of our contractual obligations. This would also increase our recruiting and training costs and decrease our operating efficiency, productivity and profit margins and could lead to a decline in demand for our services. Also we may have to increase the employee compensation to retain them and remain competitive. This could increase our costs and affect our profitability.

Lack of sufficiently qualified personnel could also inhibit our growth and our ability to establish operations in new markets and our efforts to expand geographically. Our failure to attract, train and retain personnel with the qualifications necessary to fulfill the needs of our existing and future clients or to assimilate new employees successfully could have a material adverse effect on our business, results of operations, financial condition and cash flows.

**23. *Our success depends significantly upon our management team. Any inability on our part to attract and retain talented professionals or key managerial personnel may adversely affect our business and results of operations***

We are highly dependent on our whole-time directors, our senior management, and our other key managerial personnel for our business. Attracting and retaining talented professionals is key to our business growth. 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.

Further, our inability to manage the attrition levels in different employee categories may materially and adversely impact our business and results of operations. Our ability to successfully function and meet future business challenges also depends on our ability to attract and retain talented and skilled personnel. Most of our employees have relevant experience in the Travel and Tourism Industry and we face strong competition to recruit and retain skilled and professionally qualified staff. Our future performance will depend upon the continued services of these persons.

**24. *Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse effect on our business***

Travel and tourism services involve many risks that may adversely affect our operations, and the availability of insurance is therefore fundamental to our operations. While we believe that our insurance coverage is adequate for the travel and tourism business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. We maintain insurance policies for our material assets and business related risks. However, certain losses may arise due to assets being not economically insurable. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage or if insurance premiums significantly increase, our results of operations and cash flow could be adversely affected. For details of our insurance cover, please refer to the chapter titled “Our Business - Insurance” beginning on page 95 of this Red Herring Prospectus.

**25. *We operate on leased and licensed premises and therefore our operations and in turn our profitability will be adversely affected if the leases and licenses are not renewed, or there is any disruption in business activities due to deficiency of title of the leased properties.***

All the offices through which we operate our business are taken by us on lease through lease and license agreements with third parties. We may in the future enter into further such arrangements 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 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.

The premise which acts as our Registered Office is on a lease basis and is the subject matter to one of our material litigations. For further details on all of our leased premises please refer to chapter titled “Our Business – Properties” on

page 95 of this Red Herring Prospectus. For details on litigation of our registered office please refer to the chapter titled “Outstanding Litigation and Other Material Developments” on page 244 of this Red Herring Prospectus.

**26. *Our business is in part dependent on our continuing relationship with our strategic partners***

We, in the normal course of our business enter into arrangements with other standalone service providers. They play an important role in helping us provide a complete integrated services package to our customers. These strategic alliances not only provide us advantages in the key services segment but also to further strengthen and consolidate the “Cox & Kings” brand. Our business and results of operations could be adversely affected if we are unable to maintain a beneficial relationship with these strategic partners and alliances. Please refer the chapter titled “Our Business” beginning on page 76 of this Red Herring Prospectus.

**27. *Our inability to maintain our relationships with our sales agents and ensure adherence to standard operating procedures by our sales agents may affect our sales operations.***

The travel industry largely operates through associate networks globally. We sell our tour and travel packages through various channels including franchised sales shops, general sales agents and preferred sales agents in India and we have appointed agents and representatives across the globe to facilitate our travel business. If any of these agents terminate or do not renew their agreements with us, our distribution network may be reduced, which may affect our sales operations. Appropriate service delivery by these associates is critical for the success of our 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, while we have certain minimum standards required to be maintained by any of our agents, absence of adequate monitoring of these sales agents by us or inability to maintain effective relationships in future may also affect our sales operations and results of operations.

**28. *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. 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 adverse implication on our business.

**29. *Certain material agreements relating to our operations do not have provisions for arbitration***

Certain material agreements relating to our operations, including our services arrangements with strategic partners, do not have provisions for arbitration. Thus enforcement of these agreements can be done only in a court of law. Any delay in the enforcement of these agreements may result in disruption of our business activities and operations and in turn may adversely impact our profitability.

**30. *We do not have escalation clauses in our contract with our customers.***

We do not have escalation clause in the contract with our customer and consequently during period of rising prices or any adverse change in tariffs by our business associates/intermediaries, we may not be able to pass price increases to our customers, which could harm our operational results and financial condition.

**31. *Material changes in the regulations that govern us or any change in the laws and regulations of other countries where we operate could have an adverse affect on our business.***

Our business and activities are regulated by the Foreign Exchange Management Act, 1999 including the rules, regulations and policies made there under, the circulars/ notifications, guidelines and instructions issued by the RBI from time to time as well as the Ministry of Tourism and IATA. A significant portion of our revenues are derived from our outbound tours i.e. tours taken to other countries. All the countries over the world recognise tourism as an

important industry and, 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 chapter titled “Regulations and Policies” beginning on page 97 of this Red Herring Prospectus.

**32. *The international nature of our business exposes us to several risks many of which are beyond our control***

We have operations in India and 19 countries across the globe including, the United States, the United Kingdom, Japan, Australia, New Zealand, Singapore, Hong Kong and the United Arab Emirates. 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, many of which are beyond our control. These risks include:

- significant currency fluctuations between the Euro, Japanese Yen, U.S. Dollar and the Pound Sterling and the Indian rupee (in which a significant portion of our costs are denominated);
- social, political or regulatory developments that may result in an economic slowdown in any of these regions;
- legal uncertainty owing to the overlap of different legal regimes, and problems in asserting contractual or other rights across international borders;
- potentially adverse tax consequences, such as scrutiny of transfer pricing arrangements by authorities in the countries in which we operate;
- changes in regulatory requirements;
- the burden and expense of complying with the laws and regulations of various jurisdictions; and
- terrorist attacks and other acts of violence or war.

The occurrence, inter-alia, of any of these events could have a material adverse effect on our results of operations and financial condition.

**33. *The complexity of transfer pricing regulations across countries may result in substantial tax liabilities to us.***

Each country’s transfer pricing regulations require that international transactions involving associated enterprises be at an arm’s-length price. Transactions between our Company and our Subsidiaries in other countries fall into this classification, at least for purposes of Indian tax laws and regulations. Accordingly, we will determine the pricing among our associated enterprises on the basis of detailed functional and economic analysis involving benchmarking against transactions with entities that are not under common control. If the applicable income tax authorities, on review of our tax returns, determine that the transfer price we applied was not appropriate, we may incur increased tax liability, including accrued interest and penalties. These penalties could be substantial and have an adverse effect on our business. Please also see the chapter titled “Outstanding Litigation and Other Material Developments” on page 244 of this Red Herring Prospectus for details regarding current tax litigation against our Company, including in connection with transfer pricing issues.

***Risks related to Our Industry***

**34. *We operate in a highly competitive and fragmented market***

We operate in a highly competitive market. We face stiff competition from other players operating in this sector and also from the un-organized sectors. Many Indian and foreign players have entered the market both in the online and offline space. Pricing is one of the factors that play an important role in our customers’ selection of our products. There are several strategies adopted by our competitors to increase their market share through advertising, pricing, service, new product introductions and distribution reach among others. This increased competition by both traditional and new players may affect our margins. In order to protect our existing market share or capture market share, we may be required to increase expenditure for advertising and promotions and to introduce and establish new products. Due to inherent risks in the marketplace associated with advertising and new product introductions, including uncertainties about consumer response, increased expenditure may not prove successful in maintaining or enhancing our market share and could result in lower profitability.

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. For further details, see the chapter titled "Our Business – Competition" beginning on page 94 of this Red Herring Prospectus.

**35. *We are subject to operating risks applicable to the travel and tourism industry***

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. Our inability to manage costs could adversely impact our operating margins. Increases in transportation and fuel costs for sustained periods in India and internationally (affecting inbound travel from abroad) could also unfavourably impact future results. Similarly, we are dependent on our IT information systems and electronic reservation system. Any disruption in these systems could result in the loss of important data, increasing our expenses and generally harm our business.

**36. *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 or other countries that we operate in 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 our agents, branches and representative offices, will have a negative impact on our profitability and financial condition.

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

Revenues and cash flows in the travel and tourism industry are affected by seasonality and depend on various factors such as school holidays, public holidays, conducive weather conditions and 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.

***Risks related to Our Shareholders and Equity Shares***

**38. *The Offer for Sale proceeds will not be available to us.***

This Issue includes an Offer for Sale of 3,046,640 Equity Shares by the Selling Shareholders, aggregating to Rs. [•] million. The proceeds of the Offer for Sale shall be remitted to the Selling Shareholders and we will not benefit from such proceeds.

**39. *We have in the last 12 months, issued Equity Shares at a price that could be lower than the Issue Price.***

We issued 19,547,682 fully paid up equity shares of the face value of Rs.10/- each for cash per share at par on rights basis in the ratio of 7 fully paid up equity shares for every 10 fully paid up equity shares held on the record date June 19, 2009. Besides, this, we have in the last 12 months, not issued Equity Shares at a price that could be lower than the Issue Price. For details, refer to the chapter titled "Capital Structure" beginning on page 22 of this Red Herring Prospectus.

**40. *Future issuances, after a period of six months from listing of our Equity Shares on the Stock Exchange, or sales of the Equity Shares, if any, could significantly affect the trading price of the Equity Shares***

The future issuance of Equity Shares by our Company after a period of six months from listing of our Equity Shares on the Stock Exchange (or prior to such six months if required for us to enter into acquisition(s) or joint venture(s)) or the

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

**41. *The Promoters and Promoter Group will hold a majority of our Equity Shares after the Issue and can therefore determine the outcome of shareholder voting and influence our operations***

After the completion of this Issue, our Promoters and Promoter Group will collectively hold approximately 63.6% of the post Issue paid up capital of the Company. Consequently, they will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be passed with a majority shareholder vote. In addition, the Promoters have the ability to block any resolution by our shareholders, including the alterations of the Articles of Association, issuance of additional shares of capital stock, commencement of any new line of business and similar significant matters. The Promoters will be able to control most matters affecting us, including the appointment and removal of officers, our business strategies and policies, dividend payouts and capital structure and financing, delay or prevent a change in our control, impede a merger, consolidation, takeover or other business combination involving us, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us even if such action was in the best interests of the Shareholders as a whole.

The Promoters will also continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests and or the interests of our minority shareholders, and there can be no assurance that such actions will not have an adverse effect on our future financial performance and the price of our Equity Shares.

**42. *You may not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue until the Issue receives the appropriate trading approvals.***

Our Equity Shares will be listed on the NSE and the BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by NSE and the BSE. Thereafter, upon receipt of final approval from the NSE and the BSE, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict your ability to dispose of your Equity Shares.

Under the SEBI Regulations we are permitted to allot Equity Shares within fifteen days of the closure of the public issue. Consequently, the Equity Shares you purchase in the Issue may not be credited to your book or demat account, with Depository Participants until approximately fifteen days after the issuance of the Equity Shares. You can start trading in the Equity Shares only after they have been credited to your demat account and listing and trading permissions are received from the Stock Exchanges.

Further, there can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that the trading in Equity Shares will commence within the specified time periods.

**43. *There is no existing market for our Equity Shares and we cannot assure you that such a market will develop. The stock price may be volatile, and you may be unable to resell your shares at or above the Issue price or at all.***

Prior to this Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained upon the completion of this Issue. The initial public offering price of the Equity Shares offered hereby will be determined through our negotiations with the BRLM and may not be indicative of the market price of the Equity Shares after this Issue. The market price of our Equity Shares after this Issue will be subject to significant fluctuations in response to, among other factors:

- variations in our operating results and the performance of our business;
- adverse media reports about us or the travel or vacation ownership industry;
- regulatory developments in our target markets affecting us, our clients or our competitors;
- changes in financial estimates by securities research analysts;
- addition or loss of executive officers or key employees;
- loss of one or more significant clients;

- the performance of the Indian and global economy;
- significant developments in India's economic liberalization and deregulation policies, and the fiscal regime; and
- volatility in the Indian and global securities markets.

Many of these factors are beyond our control. There has been recent volatility in the Indian stock markets and our share price could fluctuate significantly as a result of such volatility in the future.

***44. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Subsequent to listing, we will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

***45. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.***

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as events of Stock Exchange scams of 1992, temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges, and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

## **EXTERNAL RISK FACTORS**

***46. 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.

***47. 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 Swine Flu, SARS disease, 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.

***48. 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.

**49. *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.

**50. *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.

**51. *Changes in the policies of the Government or political instability could delay the further liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact the Company's business and prospects.***

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.

Significant inflation, adverse events relating to the travel and leisure industry and local and national economic conditions and factors could hurt our operations and therefore affect our results.

The most recent parliamentary elections were completed in May 2009. The present Government is a coalition led by the Indian National Congress. In the event that the Government introduces significant changes to its economic liberalisation and deregulation policies or the implementation of policies already in effect, it could adversely affect business and economic conditions in India and could also adversely affect our business and future financial performance.

**52. *Natural calamities could have a negative impact on the Indian economy and cause our business to suffer***

India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. Further prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy, adversely affecting our business and the price of our Equity Shares. In addition, any epidemics or infectious outbreaks or other health-related concerns that impact customers' willingness to travel could adversely affect our business and operations.

**53. *Any downgrading of India's sovereign rating by an international rating agency could have a negative impact on our business***

Any adverse revisions to India's sovereign credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to obtain financing for capital expenditures and the price of our Equity Shares.

**54. *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.

**55. *Investors may have difficulty enforcing judgements against us or our management***

We are a limited liability company incorporated under the laws of India. Most of our Directors and executive officers are residents of India. Further, most of our assets and the assets of such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons in jurisdictions outside India or to enforce judgements obtained against us or such persons outside India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgements. Recognition and enforcement of foreign judgements is provided for under Section 13 of the Code of Civil Procedure, 1908 (the "Civil Code"). Section 13 of the Civil Code provides that a foreign judgement shall be conclusive as to any matter thereby directly adjudicated upon except (i) where it has not been pronounced by a court of competent jurisdiction, (ii) where it has not been given on the merits of the case, (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable, (iv) where the proceedings in which the judgement was obtained were opposed to natural justice, (v) where it has been obtained by fraud or (vi) where it sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Code provides that where a foreign judgement has been rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgement had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty. The United States has not been declared by the Government to be a reciprocating territory for the purpose of Section 44A of the Civil Code. However, the United Kingdom has been declared by the Government to be a reciprocating territory. Accordingly, a judgement of a court in the United States may be enforced only by a fresh suit upon the judgement and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgement in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. A party seeking to enforce a foreign judgement in India is required to obtain approval from the RBI to repatriate outside India any amount recovered.

**56. *Indian dividend taxes or surcharges could negatively affect our tax liability***

Under current Indian laws, no tax is payable by the recipients of dividends on shares of an Indian company. However, if we declare/distribute a dividend, we are required to pay a dividend distribution tax at a rate of 16.995 per cent. (including a surcharge of 10 per cent and education cess of 3 per cent on tax and surcharge) on the dividend so declared or distributed. The Government may in the future increase the surcharges and dividend distribution taxes it imposes. Any future increase in dividend distribution taxes or surcharges could adversely affect our tax liability.

**57. *Significant differences exist between Indian GAAP and other accounting principles with which investors may be more familiar***

Our financial statements are prepared in conformity with Indian GAAP, consistently applied during the periods stated and no attempt has been made to reconcile any of the information given in this Offering Circular to any other principles or to base it on any other standards. Indian GAAP and Indian auditing standards may differ from accounting principles and auditing standards with which prospective investors may be familiar in other countries. Significant differences exist between Indian GAAP and IFRS which may be material to the financial information contained in this Offering Circular. We have made no attempt to quantify the effect of any of these differences and Indian GAAP does not require such quantification. In making an investment decision, investors must rely upon their own examination of us, the terms of the offering and the financial information contained in this Offering Circular.

**58. *Exchange rate fluctuations may adversely affect our results of operations***

Revenues of Cox & Kings Ltd. U.K. are in Pounds, Revenue of Cox & Kings (Japan) Limited are in Yen and India Inbound revenues are in USD, Euro and GBP. There is no exchange risk as we hedge our currency risk in all areas. All outbound tours are charged to the client in the currency that is paid to the contractors. There may be an effect on the profitability on the company as the company earns profits in Yen, Pounds and Rupees. The relevant exchange rate at the time will be prevalent and may decrease or increase the profit. However, our foreign exchange business is affected by exchange fluctuation to the extent of proprietary trading in this area of business.

**Notes to Risk Factors:**

1. Public Issue of 18,496,640 Equity Shares of Rs. 10/- each of Cox and Kings (India) Limited for cash at a price of Rs. [•] per Equity Share (including a Share Premium of Rs. [•] per Equity Share), consisting of a Fresh Issue of 15,450,000 Equity Shares by the Company and an Offer for Sale of 3,046,640 Equity Shares by the Selling Shareholders, aggregating Rs. [•] million (the "Issue"). The Issue comprises of a Net Issue to the public of 18,296,640 Equity Shares of Rs. 10/- each (the "Net Issue") and a reservation of up to 200,000 Equity Shares of Rs. 10/- each for the Eligible Employees (as defined herein) on a competitive basis (the "Employee Reservation Portion"). The QIB Portion includes the Anchor Investor Portion and the Company may consider participation by Anchor Investors in the Net Issue for up to 2,744,496 Equity Shares in accordance with the SEBI Regulations.
2. Under subscription, if any, in QIB, Retail and Non-Institutional Category would be met with spill-over from other categories or a combination of categories. Under subscription, if any in the Employees Reservation Portion will be added back to the Net Issue to the Public. In case of under subscription in the Net Issue, spill-over to the extent of under subscription shall be permitted from the Employees Reservation Portion. Such inter-se spill over, if any, will be at the discretion of the Company in consultation with the BRLM and the Selling Shareholders.
3. Investors may note that in case of oversubscription in the Issue, allotment shall be made on proportionate basis to Qualified Institutional Bidders, Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees and will be finalized in consultation with the BRLM and the Designated Stock Exchange in accordance with applicable laws, rules, regulations and guidelines. For more information, please refer the chapter titled 'Issue Procedure' beginning on page 380 of this Red Herring Prospectus. If the Issue is oversubscribed, the Designated Stock Exchange along with the concerned Book Running Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner.
4. Up to 200,000 Equity Shares i.e. 0.32% of our post Issue paid up equity share capital has been reserved for Employees (Employee Reservation Portion) on a competitive basis.

5. Our Company was incorporated under the name of “Eastern Carrying Company Limited” on June 7, 1939 under the Indian Companies Act, VII of 1913. The name of our company was subsequently changed to “Cox and Kings (India) Limited” and the consequent fresh Certificate of Incorporation was granted on February 23, 1950. Subsequently, after the amendment of Section 43A of the Companies Act 1956, the word “Private” was added to the name of our Company on October 12, 2001. Pursuant to a special resolution of our shareholders at an Extraordinary General Meeting held on January 29, 2007, our Company became a public limited company and the word “Private” was deleted from its name. The Certificate of Incorporation to reflect the new name was issued on March 28, 2007 by the RoC. For further details, please refer the chapter titled ‘History and Other Corporate Matters’ beginning on page 104 of this Red Herring Prospectus.
6. The Net Worth of our Company was Rs.2,769.60 million as on June 30, 2009 and Rs.2,279.74 million as on March 31, 2009, as per the restated consolidated financial statements and Rs.2,060.99 million as on June 30, 2009 and Rs.1,856.73 million as on March 31, 2009, as per the restated standalone financial statements of the Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations. For more information, please refer the chapter titled ‘Financial Statements’ beginning on page 171 of this Red Herring Prospectus.
7. The Book Value per Equity Share was Rs. 99.17 as on June 30, 2009 and Rs.81.62 as on March 31, 2009, as per the restated consolidated financial statements and Rs.73.80 as on June 30, 2009 and Rs.66.49 as on March 31, 2009 as per the restated standalone financial statements of the Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations. For more information, please refer the chapter titled ‘Financial Statements’ beginning on page 171 of this Red Herring Prospectus.
8. The average cost of acquisition per Equity Share allotted to our Promoters is as follows:

Sr. No.	Name of the Promoter	Average Cost of Acquisition
1.	Mr. A. B. M. Good	Rs.68.88
2.	Mr. Ajay Ajit Peter Kerkar	Rs.40.43
3.	Ms. Urrshila Kerkar	Rs.10.30
4.	Ms. Elizabeth Kerkar	Rs.11.81
5.	Liz Investments Private Limited	Rs.34.97

The average cost of acquisition of Equity Share by our Promoters has been computed by taking the weighted average cost. For details, please refer the chapter titled ‘Capital Structure’ beginning on page of 22 this Red Herring Prospectus.

9. Save and except as disclosed below our Promoters, Directors and our Promoter Group have not purchased or sold any Equity Shares within the last six months preceding the date of this Red Herring Prospectus with SEBI.

*Equity Shares of face value of Rs. 10 each*

Date of Acquisition or Transfer	Name of the Shareholder	No. of Equity Shares	Pre-Issue Shareholding (%)
July 23, 2009	Sneh Sadan Graphic Services Private Limited	16,627,184	35.0

10. Save and except as disclosed in the chapter titled ‘Capital Structure’ beginning on page 22 of this Red Herring Prospectus, the Company has not issued any Equity Shares for consideration other than cash.
11. Our Company has not made any loans or advances to any person or company in which our Directors are interested, save and except as disclosed in ‘Related Party Transactions’ on page 185 of this Red Herring Prospectus.
12. Our Company has not issued any Equity Shares out of revaluation reserves.
13. Except as disclosed in Risk Factor 39, our Company has not issued Equity Shares at a price which may be less than the Issue Price during the last one year.
14. Our Company has not revalued its asset in the last five years.

15. Save and except as disclosed in this Red Herring Prospectus, our Promoters, our Directors and our Key Managerial Employees have no interest in our Company except to the extent of any remuneration that may be paid to them for rendering professional services and reimbursement of expenses and to the extent of the Equity Shares held by them or their relative or held by the companies, trusts or firms in which they are interested as directors, members or partners and / or trustee and to the extent of the benefits arising out of such shareholding. For further details, please refer the chapter titled 'Our Promoters and Promoter Group Companies' and 'Our Management' beginning on page 150 and 132 of this Red Herring Prospectus.
16. Investors are advised to please refer to the chapter titled 'Basis for Issue Price' beginning on page 45 of this Red Herring Prospectus before making any investment in this Issue.
17. The notes on significant accounting policies have been included in the report of our Auditors in 'Financial Statements' beginning on page 171 of this Red Herring Prospectus.
18. No part of the issue proceeds will be paid as consideration to our Promoters, our Directors, our key managerial employees or our promoter group companies or ventures except as mentioned in paragraph 'Interest of Promoters in our Company' on page 153 of this Red Herring Prospectus or in normal course of business.
19. The investors may contact the BRLM, Registrar to the Issue or the Compliance Officer of the Company for any complaint, clarification, and information pertaining to the Issue. For contact details of the BRLM, Registrar to the Issue and the Compliance Officer of our Company, please refer the chapter titled 'General Information' beginning on page 11 of this Red Herring Prospectus.
20. All information shall be made available by the BRLM and the Company to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
21. Trading in the Equity Shares for all investors shall be in dematerialised form only.
22. Our Company and the BRLM will update the offer document in accordance with the Companies Act and the SEBI Regulations and our Company and the BRLM will keep the public informed of any material changes relating to our Company till the listing of our shares on the Stock Exchanges. No selective or additional information would be made available to a section of investors in any manner whatsoever.

## SECTION III - INTRODUCTION

### SUMMARY OF BUSINESS, STRENGTHS AND STRATEGIES

*This is only a summary and does not contain all information that you should consider before investing in our Equity Shares. You should read this entire Red Herring Prospectus, including the information on 'Risk Factors' and our 'Financial Statements' and related notes beginning on page xv and page 171 of this Red Herring Prospectus, before deciding to invest in our Equity Shares.*

#### Business Overview

The Cox and Kings brand has evolved through over 250 years of history and today is one of the recognised holiday brands that cater to the overall travel needs of an Indian and International traveller. Cox and Kings (India) Limited has won several awards and recognition including in the following recent ones:

1. "India's Top Rated Tour Operator – Outbound" by the Economic Times & Travel Agents Association of India Travel Awards 2009
2. "Best Domestic Tour Operator" by TAFI-abacus Awards for Business Leadership in Tour Operating (2009)
3. "Best Inbound Tour Operator" by TAFI-abacus Awards for Business Leadership in Tour Operating (2009)
4. "TravelBiz Monitor Most Innovative Product Launch" by TAFI-abacus Awards for Business Leadership through innovation in Travel (2009)

We serve as a One Stop Shop for all travel and travel related products.

Our business can be broadly categorised as Leisure Travel, Corporate Travel, Forex and Visa Processing. We design travel packages for both individuals and groups for their domestic and international leisure travel. We make travel arrangements for corporate clients to cater to their business meetings, conferences, events and as an incentive for their employees and business partners. We provide end to end travel solutions including land, air and cruise bookings, hotel bookings, in-transit arrangements, local sightseeing, visa, passport and medical insurance assistance and such other destination management services. We also provide value added services viz., customising travel plans for our NRI customers, travel arrangements for Trade Fairs, providing private air charter services, etc. Besides, we offer travel related foreign exchange & payment solutions. In fact, we are one of the first travel companies in India to be granted a license as an Authorized Dealer - Category II under the new licensing regime.

Within Leisure Travel we have three sub-segments i.e. Outbound Travel, Inbound Travel and Domestic Travel. Our Inbound Travel business represents destination management services that cover all aspects of ground tour arrangements required by tour operators across the world. Our Domestic and Outbound Travel businesses include selling holiday packages for travel in India and overseas respectively. Under Corporate Travel we offer a full range of business travel services through a team of dedicated relationship managers. We offer customized business travel solutions for corporate clients with an endeavour to optimize their travel budget.

We continuously innovate our product offerings with the flexibility to meet the changing needs of our customers and to address their needs better. This also helps us to differentiate our products *vis-a-vis* the products offered by our competitors. Thus, over the years we have developed specific brands for our products viz. "**Duniya Dekho**" for Outbound Travel, "**Bharat Deko**" for Domestic Travel and "**FlexiHol**" for our Flexible Individual Travellers (FIT). We believe that our success in branding our products has created more awareness amongst travellers and has also helped a traveller in distinguishing and identifying our branded products.

In India, we have 255 points of presence covering 164 locations through a mix of branch sales offices, franchised sales shops, General Sales Agents (GSAs) and Preferred Sales Agents (PSAs). We have 14 branch sales offices located in Mumbai, New Delhi, Chennai, Kolkata, Bangalore, Hyderabad, Ahmedabad, Jaipur, Kochi, Pune, Nagpur and Goa. Besides, we also operate through our 56 franchised sales shops spread across India to have larger access to our customers. Further, we have an extensive network of 185 GSAs and PSAs covering many of the major towns and cities of India. GSAs / PSAs are those agents who sell only our products through an exclusive tie-up with us.

We have global presence with our operations in 19 countries besides India through our subsidiaries, branch offices and representative offices. We have our subsidiaries in UK, Australia, New Zealand, Japan, US, UAE, Singapore and Hong Kong. We also operate from Moscow (Russia), Maldives and Tahiti through our branch offices and Spain, Sweden, Germany, Italy, France, Taiwan, South America and South Africa through our representative offices. Further, we have presence in overseas markets through a network of GSAs and PSAs covering other countries enhancing our global presence. Our global reach and passion for travel position us well to offer multiple travel choices and value for our products.

We are a shareholder member of Radius Inc, which is a consortium of leading travel agents around the world. On the international map, Cox & Kings has its presence also through these 90 Radius members from more than 80 prominent countries across the globe with over 3,600 locations.

Our widespread presence can be a significant advantage for our customers. Our close proximity to our customers means faster service delivery and more personalised attention. Besides our offline access, we are also available online through our websites. These websites primarily offer an additional channel of reaching out to our existing and potential customers who are regularly updated with features of our product offerings.

We have made few acquisitions in the recent past in our quest to spread our global reach. We continuously evaluate inorganic opportunities that have strategic fit for our businesses, to foray into certain geographies and to consolidate our sourcing needs thereby leading to cost savings.

In March 2006, we acquired the entire shareholding of Clearmine Limited, a company incorporated in the UK. ETN Services Limited is a wholly owned subsidiary of Clearmine Limited and it carries out destination management services for our tours to Europe and also inbound tours in Europe for other tour operators. In September 2007, we acquired the entire shareholding of Cox & Kings Limited based in UK and took over 41.17% of the share capital of Cox & Kings (Japan) Limited. Cox & Kings Travel Limited, a wholly owned subsidiary of Cox & Kings Limited, is an outbound specialist tour operator and caters to leisure travel market of Europe. Cox & Kings Travel Limited and Cox & Kings Tours LLC holds 33.33% and 25.50% respectively of Cox & Kings (Japan) Limited. Cox & Kings (Japan) Limited is a dedicated wholesaler of products and services to other tour operators. It also offers ground handling capabilities in select geographies.

Fiscal 2009 proved quite historic for us as we forayed into businesses with huge growth potential and synergic benefits to our existing operations and strengthened our presence in geographies like Australia and New Zealand and now in US.

We acquired Quoprro Global Services Pvt. Ltd. and forayed into the business of visa processing. Globally visa processing activities have been concentrated amongst few players and through this acquisition we would explore the potential in this business. In September 2008, we got an approval from The High Commission of India at Singapore for outsourcing their visa processing activities to us. Recently, we got further in-principle approvals from the diplomatic missions of India at Athens, Greece and at Hong Kong for outsourcing their visa processing activities to us.

In December 2008 we formed a Joint Venture with IRCTC under the name of “Royale Indian Rail Tours Limited” to operate a luxury train to be called “*Maharajas’ Express*”. The combined strength of IRCTC in rail based tourism and hospitality and ours in high-end international tourism, would make this a state of the art luxury train. While IRCTC will be involved in the operations, we will leverage our overseas offices to market the product globally.

During this fiscal, we acquired Tempo Holidays Pty Ltd. based in Australia with its wholly owned subsidiary Tempo Holidays NZ Ltd. in New Zealand. Since significant business of Tempo Holidays is in European countries, consolidating our ground handling capabilities therein with ETN Services Limited will result in adding to our existing buying power and thereby resulting in significant savings to the group. We also recently completed acquisition of East India Travel Company Inc., which is in the business of selling upmarket tour and travel packages in the US. These inorganic initiatives will fructify in spreading our reach across the globe reinforcing us as an established global player.

We believe we continuously endeavour to propel our growth by identifying opportunities both organically and inorganically. This helps us to add more customers each year and better our service standards by providing customers with a wide choice of products and flexibility to meet their changing needs. For the three months period ended June 30, 2009 and for the year ended March 31, 2009, 2008 and 2007 our total income as per our consolidated financials was Rs. 1159 million,

Rs.2936 million, Rs.1883 million, and Rs.994 million respectively. Our restated profits after tax for the same period as per our consolidated financials was Rs. 406 million, Rs.628 million, Rs.426 million and Rs. 297 million respectively.

## **Our Competitive Strengths**

### ***Brand Equity***

Our brand has evolved over a period of 250 years and is one of the oldest brands in the Travel & Tourism industry today. “Cox & Kings” was ranked #1 Top Brands in India and ranked 152 amongst Top 1000 Brands in the Asia Pacific region in 2008. The ranking is based on a survey conducted by a research agency TNS and co-funded by Media magazine across the markets of 10 countries in the Asia Pacific. We are recognized as a brand both locally and internationally.

The tour-operator industry is dependent on brand awareness and recall in the long run as customers need to believe in the capabilities of the operator to provide quality services and that their products will lead to a satisfied experience even before they have approached the service provider. Our brand equity is reaffirmed in our services and awards and recognition we have received for it. It is here that we believe our brand which we have built over the years, plays an important role in getting people to trust in our ability to serve them well. We believe that our biggest asset is the trust and the comfort that our clients have in us. Various awards have been conferred upon us over the years and this is testimony to the acknowledgement of our services in the Travel Industry.

For details on our past awards and acclamations kindly refer to the sub-section “Past Awards and Recognition” under the chapter titled “Our Business” beginning on page 76 of this Red Herring Prospectus.

### ***Management Team***

We are led by an experienced management group that has worked and has been associated with the travel industry for many years and has the required skill, expertise and vision to continue to expand our business in new markets. Our management team includes Mr. Ajay Ajit Peter Kerkar who has been with the company for more than 15 years. Mr. Ajay Ajit Peter Kerkar has an in-depth understanding of the travel industry. He was the founder, director of the World Tourism Council for the Indian sub continent. Ms. Urrshila Kerkar has been with the company for more than 10 years. Under their direction and guidance the Company has grown both organically and inorganically. Both Mr. Ajay Ajit Peter Kerkar and Ms. Urrshila Kerkar are Promoters and Executive Directors of our Company.

Our Company is managed by Directors who are qualified and have wide experience in their respective fields. The Board of Directors is supported by a team of professionals with several years of relevant experience and have been instrumental in the growth of our organization. Our management team provides strategic leadership and direction to explore new emerging opportunities as well as constantly improve our current operations.

For details on our senior management resources including their qualification and experience kindly refer to the chapter titled “Our Management” beginning on page 132 of this Red Herring Prospectus.

### ***Product Spectrum***

We believe in offering complete travel solutions and serve as an integrated provider of all travel and travel related products. Our wide choice of product offerings caters to the travel needs of Indian and International travellers. We provide a ‘One Stop Shop’ for 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.

Besides, our constant innovation in our product offering and flexibility to meet the ever changing needs of our customers, are some of the key differentiating value propositions that has enabled us to grow the sale of our holiday packages. It has helped us to differentiate our products vis-a-vis the products offered by our competitors. We believe that our success in branding our products has created more awareness among travellers and has also helped a traveller in distinguishing and identifying our branded products viz., “*Duniya Dekho*”, “*Bharat Deko*” and “*FlexiHol*”. Besides, our global reach and passion for travel uniquely position us to offer multiple travel choices and value for the products we sell globally.



Besides, we are in the process of rolling out a pan-India luxury train under the brand '*Maharajas' Express*' through a joint venture with IRCTC. The potential of luxury train-based tourism in India is significant and we believe that these initiatives will leverage our business extensively. We have further expanded our offerings to include outsourcing of visa processing services for diplomatic missions. Globally visa processing activities have been concentrated amongst few players and through this foray we would explore the potential in this business.

For details on our travel products and service offerings kindly refer to the chapter titled "Our Business" beginning on page 76 and the product profile snapshot on page 81 of this Red Herring Prospectus.

### ***Geographical Presence & Reach***

We have global presence with our operations in 19 countries besides India through our subsidiaries, branch offices and representative offices. Our global reach and passion for travel uniquely position us to offer multiple travel choices and value for our products. In India, we have 255 points of presence covering 164 locations through a mix of 14 branch sales offices, 56 franchised sales shops and a mix of 185 General Sales Agents (GSAs) and Preferred Sales Agents (PSAs). The domain knowledge from our branch sales offices and franchised sales network has enabled us to successfully scale up our tourism business in India.

Our representatives have an in depth knowledge of the local market they operate in and we periodically update them with regards to the services and the kind of arrangements and products we have to offer to our customers. Our wide network of overseas branches, representative offices and agents gives us access to important geographies and markets and helps us set our feet firmly in the offline travel industry. Besides we have a wide network of dedicated ground operators functioning in different countries that offer better options to customers as per convenience and budget to maximize their travel experience. Also, as a member of Radius Inc, a global travel company, we are connected with a network of 90 Radius members from more than 80 prominent countries across the globe with over 3,600 locations and service clients originating through them within India.

### ***Skilled & Quality Staff***

Our Company operates in service industry wherein the biggest asset of the Company is the quality of its human resources. We attach great importance to our well knit motivated team of committed people. They provide the customer interface and are always aligned to the customers' requirements, which reflect our standards of service quality. We have built a team of experienced, skilled and efficient personnel having in depth knowledge of the business and passion to promote our products. They are important components in contributing to the productivity of our business. We utilize a competitive compensation structure for our managerial personnel and staff, and we believe this structure helps us attract and retain our managerial personnel. We have dedicated and experienced management teams for the execution of special assignments, as well as for human resources, operations, quality management, and our international business. We also have regular training programs for our staff and management personnel.

For more information on our key managerial personnel kindly refer to the sub-section "Key Managerial Personnel" under the chapter titled "Our Management" beginning on page 132 of this Red Herring Prospectus.

### ***Technology Infrastructure***

We deploy efficient information technology platforms in the Indian Travel Industry. We have developed a totally integrated front, mid and back office solution. We have developed and implemented a comprehensive central reservation engine for our travel products and services. Our web enabled centralized dynamic packaging system, covering all travel related services – air tickets, hotel reservations, car rentals, cruises, rail bookings, insurance, package tours and holidays, enables individual, corporate clients and agents worldwide to include all products and services which they want on a real time basis. Our booking engine, built on high performance technology, is quick in delivering real time business information. Our sophisticated CRM (Customer Relationship Management) System is designed to analyze customer needs for better servicing and ensure repeat business for us. It generates reports identifying areas of opportunity and thereby helps us in customizing to improve the efficiency of our products. On the front end, we also have a 24 X 7 dedicated call centre with apt technology infrastructure and manned with well informed and efficient executives to address customer requirements including complaints if any.

For more information on this kindly refer to the sub-section “Technology Initiatives” under the chapter titled “Our Management” beginning on page 132 of this Red Herring Prospectus.

## **Our Business Strategy**

### ***Acquisitions – Inorganic Initiatives***

We believe we continuously endeavour to propel our growth by identifying opportunities both organically and inorganically. This helps us to add more customers each year and better our service standards by providing customers with a wide choice of products and flexibility to meet their changing needs.

After our recent acquisitions in Australia and the US, we seek to further enhance our position globally. We can get ready access to newer markets / geographies and augment our product / service offerings through strategic acquisitions. Thus, we continue looking at inorganic growth and may consider consolidating our market share through acquisitions if targets provide a strong strategic fit at a reasonable price. Our strategy will be to focus on up-market long haul tour operators whose product offerings include the Indian subcontinent and who complement our existing worldwide product portfolio. This will enable us to consolidate our sourcing needs, giving us better buying power and yield cost savings. This will fit into our strategy of offering both outbound and inbound services to our clients in each of the destinations that we operate in. Our growth strategy involves gaining new clients and expanding our service offerings, both organically and through strategic acquisitions of companies, which have expertise in the domain in which they operate and which also have a good client base. This would increase the pace of our growth, thereby enabling us to secure a higher volume of business.

### ***Better Reach & Spread***

We are focused on extending our network infrastructure in both domestic and international locations. We intend to improve domestic penetration through the exclusive franchised shops. A franchisee model is a business arrangement where the franchisee has the licensed right to own and operate the business based on our business concept and use our brand name. In this we provide start up help in terms of training, site development, advertising and marketing support. The franchisee is branded as a Cox & Kings shop and sells only our products. It is a one stop travel shop that provides all travel related services under one roof, making travelling more simple for the customers.

### ***Online Presence***

The online travel market in India is in a nascent stage and offers tremendous growth potential. Having firmly set foot in the offline market, we have also created our space in the online arena with our existing website [www.coxandkings.com](http://www.coxandkings.com). This primarily offers an additional channel of reaching out to our existing and potential (users) customers which are updated regularly to feature our products and innovations. We offer various options to the customer giving them the flexibility to customize the holidays as per their choice. The website offers complete travel solutions offering the user a choice to purchase any item from an airline ticket, hotel accommodation, logistic support, to a complete tour package. The website also offers users a choice to purchase any combination of the above and also design their own holiday. We believe that with the rise in the number of internet users and better acceptability of the internet as a convenient medium for making travel related purchases, we are well positioned to capture a whole new client base.

### ***Focus on Outbound & Ground Handling Capabilities***

Our Outbound Travel business assumes significant share of our total revenues and continues to remain our focus going ahead. We believe that there is considerable growth opportunity in the outbound tourism segment in India. A buoyant economy, rise in disposable incomes, coupled with rising aspirations ensures this segment is poised for growth. Also with travel getting cheaper we believe there will be an increase in the number of people opting to travel outside India. We believe we are well positioned to exploit this segment with our flexible products and will continue to offer a comprehensive range of travel contents to the consumer with attractive pricing. We have been selling our outbound tour products covering destinations such as Europe, the US and the others. We are in the process of expanding and setting up ground handling activities overseas through our overseas subsidiaries and branches. These ground handling activities would cater to our outbound customers in the first phase, thus enabling cost reduction and better-personalised services for outbound clients.

***Bulk buying advantage***

Growing business volumes will give a better bargaining power to make bulk bookings for air travel, hotel accommodations, car rentals and ground handling. This will enable us to offer competitive packages to our customers and clients, thus attracting traffic in the long run. The expected growth in business volumes from further domestic and international operations will provide incremental operating leverage that could be used in turn to offer competitive packages to our customers.

***Strategic Initiatives – expansion of Product Offerings***

We continuously evaluate ideas that strategically fit our existing business and expand the products and services that we offer to our customers. Recently we forayed in visa processing services for diplomatic missions. Globally visa processing activities have been concentrated amongst few players and through this foray we would explore the potential in this business. We are also in the process of rolling out a pan-India luxury train under the brand ‘*Maharajas’ Express*’ through a joint venture with IRCTC. The potential of luxury train-based tourism in India is significant. We believe that such initiatives will leverage our growth extensively and will help us to increase our market shares in the business in which we operate.

*For further details please refer to the chapter titled ‘Our Business’ on page 76 of this Red Herring Prospectus.*

***Industry Overview***

*For details on the Industry to which we belong please refer to the chapter titled ‘Industry Overview’ on page 54 of this Red Herring Prospectus.*

## THE ISSUE

<b>Equity Shares Offered by</b>	
<b>Issue</b>	<b>18,496,640 Equity Shares of face value of Rs.10/- each for cash at a price of Rs.[●]/- each</b>
Of which	
Fresh Issue by the Company	15,450,000 Equity Shares of face value of Rs.10/- each
Offer for Sale by the Selling Shareholders	3,046,640 Equity Shares of face value of Rs.10/- each
Of which	
Employee Reservation Portion	up to 200,000 Equity Shares of face value of Rs.10/- each
<b>Net Issue to the Public</b>	<b>18,296,640 Equity Shares of face value of Rs.10/- each.</b>
<i>comprising of:</i>	
A) Qualified Institutional Buyers (QIB) Portion <sup>§</sup>	Up to 9,148,320 Equity Shares comprising of 50% of the Net Issue to the Public (allocation on a proportionate basis)
<i>of which:</i>	
<i>Available for allocation to Mutual Funds only (5%)</i>	<i>457,416 Equity Shares of face value of Rs.10 each</i>
<i>Balance for all QIBs including Mutual Funds</i>	<i>8,690,904 Equity Shares of face value of Rs.10 each</i>
B) Non-Institutional Portion	Not less than 2,744,496 Equity Shares comprising of 15% of the Net Issue to the Public (allocation on a proportionate basis)
C) Retail Portion	Not less than 6,403,824 Equity Shares comprising of 35% of the Net Issue to the Public (allocation on a proportionate basis)
<b>Equity Shares outstanding prior to the Issue</b>	47,472,942 Equity Shares of face value of Rs.10 each
<b>Equity Shares outstanding after the Issue</b>	62,922,942 Equity Shares of face value of Rs.10 each
<b>Use of Net Proceeds by the Company</b>	Please refer chapter titled ' <i>Objects of the Issue</i> ' on page 38 of this Red Herring Prospectus.

<sup>§</sup>Our Company may consider participation by Anchor Investor for upto 2,744,496 Equity Shares i.e. upto 30% of the QIB Portion in accordance with applicable SEBI Regulations.

**\*\*Subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in QIB, Retail and Non-Institutional Category would be met with spill-over from other categories or a combination of categories. Under subscription, if any in the Employees Reservation Portion will be added back to the Net Issue to the Public. In case of under subscription in the Net Issue, spill-over to the extent of under subscription shall be permitted from the Employees Reservation Portion. Such inter-se spill over, if any, will be at the discretion of the Company in consultation with the BRLM and the Selling Shareholders. Investors may note that in case of over-subscription in the Issue, allotment to QIB Bidders, Non-Institutional Bidders, Retail Bidders and Eligible Employees bidding under Employees Reservation Portion shall be on a proportionate basis.**

## SUMMARY OF FINANCIAL STATEMENTS

The following tables set forth summary financial information derived from our restated consolidated financial statements as of and for the fiscal years ended March 31, 2005, 2006, 2007, 2008, 2009 and for the three months period ended June 30, 2009. These financial statements has been prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations as described in the 'Auditors' Report' included in the chapter 'Financial Statements' beginning on page 171 of this Red Herring Prospectus.

The summary financial information presented below should be read in conjunction with our restated consolidated financial statements including the significant accounting policies and the notes thereto and reports thereon included in the chapters in 'Financial Statements' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on pages 171 and 218 respectively, of this Red Herring Prospectus. Indian GAAP differs in certain significant respects from US GAAP and IFRS.

### STATEMENT OF CONSOLIDATED ASSETS & LIABILITIES, AS RESTATED

The assets and liabilities of our Company as at the end of each financial year ended on March 31, 2005, 2006, 2007, 2008, 2009 and as at the end of three months period ended on June 30, 2009 are as set out below. The assets and liabilities read with significant accounting policies and notes annexed hereto have been arrived at after making such regroupings as are considered appropriate.

(Rs. in Millions)

	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
<b>A. Fixed Assets</b>						
Gross Block	1,300.20	1,173.38	852.00	288.36	199.49	157.64
Less: Depreciation	535.68	458.73	323.08	143.73	108.58	94.70
Net Block	764.53	714.64	528.93	144.63	90.90	62.95
Add: Capital WIP/Capital Advances	124.79	103.24	25.38	5.68	45.70	24.83
	<b>889.32</b>	<b>817.88</b>	<b>554.31</b>	<b>150.31</b>	<b>136.60</b>	<b>87.78</b>
<b>B. Goodwill on consolidation</b>	2,253.92	1,110.23	101.69	96.43	100.50	-
<b>C. Deferred Tax Asset</b>	<b>29.48</b>	<b>39.40</b>	<b>14.95</b>	<b>12.28</b>	<b>12.91</b>	<b>4.18</b>
<b>D. Investment</b>	<b>456.14</b>	<b>456.99</b>	<b>464.55</b>	<b>530.70</b>	<b>193.39</b>	<b>190.66</b>
<b>E. Current Assets, Loans and Advances</b>						
Inventories	46.87	35.27	40.53	18.95	11.44	12.41
Sundry Debtors	2,289.85	2,321.63	1,786.82	765.29	473.28	478.71
Cash and Bank	1,124.50	633.82	560.58	192.21	324.61	261.31
Loans and Advances	2,537.63	3,081.19	1,744.68	989.14	895.04	609.17
	<b>5,998.85</b>	<b>6,071.91</b>	<b>4,132.62</b>	<b>1,965.59</b>	<b>1,704.37</b>	<b>1,361.60</b>
<b>Total Assets</b>	<b>9,627.72</b>	<b>8,496.40</b>	<b>5,268.11</b>	<b>2,755.31</b>	<b>2,147.78</b>	<b>1,644.22</b>
<b>F. Liabilities and Provisions</b>						
Secured Loans	2,991.93	2,363.47	502.35	272.07	457.46	323.42
Unsecured Loans	1,329.19	1,178.03	793.97	300.00	185.90	287.23
Current Liabilities	1,572.63	1,835.57	1,795.54	1,076.57	804.63	853.36
Provisions	942.16	817.96	486.47	277.15	163.26	40.96
	<b>6,835.91</b>	<b>6,195.02</b>	<b>3,578.32</b>	<b>1,925.79</b>	<b>1,611.25</b>	<b>1,504.97</b>
<b>G. Deferred Tax Liability (Net)</b>	22.21	21.64	30.48	0.99	0.86	-

<b>H. Networth</b>	<b>2,769.60</b>	<b>2,279.74</b>	<b>1,659.31</b>	<b>828.52</b>	<b>535.67</b>	<b>139.25</b>
<b>Represented by</b>						
1. Share Capital (Equity paid-up capital)	279.25	279.25	279.25	54.40	54.40	9.00
2. Reserves and Surplus	2,490.35	2,000.49	1,380.05	774.12	481.27	130.25
2.1. Capital Reserve	1.75	1.75	1.75	1.75	1.75	1.75
2.2. Security premium account	405.47	405.47	405.47	211.00	211.00	29.40
2.3. General Reserve	17.22	17.22	17.22	17.22	17.22	17.22
2.4. Revaluation Reserve	36.16	33.37	-	-	-	-
2.5. Foreign Currency Earnings Reserve	5.62	5.62	5.62	5.62	5.62	5.62
2.6. Foreign Exchange Translation Reserve	40.69	(40.58)	(6.08)	(0.14)	-	-
2.7. Profit & Loss account balance	1,983.44	1,577.64	956.07	538.67	245.68	76.26

The above statement should be read with the significant accounting policies and notes appearing in Annexure XXII and XIII

#### STATEMENT OF CONSOLIDATED PROFIT & LOSS ACCOUNTS, AS RESTATED

We report that the Profits/(Loss) of our Company for the financial year ended on March 31, 2005, 2006, 2007, 2008, 2009 and for the three months period ended on June 30, 2009 are as set out below. The Profit and Loss Account read with significant accounting policies and notes annexed hereto have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings as are considered appropriate.

(Rs. in Millions)

	<b>Three Months ended June 30, 2009</b>	<b>Year ended March 31, 2009</b>	<b>Year ended March 31, 2008</b>	<b>Year ended March 31, 2007</b>	<b>Year ended March 31, 2006</b>	<b>Year ended March 31, 2005</b>
<b>Income</b>						
Commission and Operating Income	996.06	2,869.00	1,821.38	969.51	631.79	420.49
Other Income	162.71	66.61	61.69	24.68	25.74	34.69
<b>Total</b>	<b>1,158.77</b>	<b>2,935.61</b>	<b>1,883.07</b>	<b>994.19</b>	<b>657.53</b>	<b>455.18</b>
<b>Expenditure</b>						
Personnel Expenses	220.72	790.58	505.70	209.15	150.84	80.96
Other Expenses	302.61	864.73	585.58	358.75	278.17	170.14
Interest and finance charges	66.46	201.33	59.11	51.67	30.77	66.36
Depreciation	30.13	95.69	63.74	34.06	18.06	14.22
<b>Total</b>	<b>619.92</b>	<b>1,952.34</b>	<b>1,214.13</b>	<b>653.63</b>	<b>477.82</b>	<b>331.66</b>
<b>Net Profit/(Loss) before Tax and extra ordinary items</b>	<b>538.86</b>	<b>983.28</b>	<b>668.94</b>	<b>340.57</b>	<b>179.71</b>	<b>123.52</b>
<b>Taxation</b>						
Current Tax	114.41	353.93	199.30	124.65	74.63	21.27
Deferred Tax	16.84	(13.20)	10.36	0.68	(8.73)	(4.17)
Fringe Benefit Tax	-	8.14	7.80	5.20	6.22	-
<b>Net Profit/(Loss) after Tax before extraordinary items</b>	<b>407.60</b>	<b>634.41</b>	<b>451.48</b>	<b>210.04</b>	<b>107.59</b>	<b>106.42</b>
Extra-ordinary items (net of tax)	-	-	-	-	65.72	-

(Receipt on relinquishment of Tenancy Rights)						
<b>Net Profit after Tax and Extra-ordinary items</b>	<b>407.60</b>	<b>634.41</b>	<b>451.48</b>	<b>210.04</b>	<b>173.31</b>	<b>106.42</b>
Add/(less): Share in Profit/(loss) of associate	(1.80)	(6.31)	(25.40)	87.30	0.46	(5.29)
<b>Net Profit for the year</b>	<b>405.80</b>	<b>628.10</b>	<b>426.08</b>	<b>297.34</b>	<b>173.76</b>	<b>101.14</b>
<b>Balance brought forward</b>	<b>1,577.64</b>	<b>956.07</b>	<b>538.67</b>	<b>245.68</b>	<b>76.26</b>	<b>(39.30)</b>
Less: Additional charge on adoption of AS-15(R )	-	-	2.15	-	-	-
Proposed Dividend	-	5.59	5.59	3.81	3.81	0.63
Tax on dividend	-	0.95	0.95	0.53	0.53	0.08
Add: Reduction in Loss of Associates on dilution	-	-	-	-	-	15.13
<b>Balance carried to Balance Sheet</b>	<b>1,983.44</b>	<b>1,577.64</b>	<b>956.07</b>	<b>538.67</b>	<b>245.68</b>	<b>76.26</b>

The above statement should be read with significant accounting policies and notes appearing in Annexure XXII and XXIII

## GENERAL INFORMATION

### Incorporation

The Company was incorporated as “Eastern Carrying Company Limited” on June 7, 1939 under the Indian Companies Act, VII of 1913. The name of the Company was changed to “Cox and Kings (India) Limited” and the consequent fresh Certificate of Incorporation was granted on February 23, 1950. Subsequently, after the amendment of section 43A of the Companies Act 1956, the word “Private” was added to the name of the Company on October 12, 2001. Pursuant to a special resolution of the shareholders of the Company at an Extraordinary General Meeting held on January 29, 2007, the Company became a public limited company and the word “Private” was deleted from its name. The fresh Certificate of Incorporation with the current name was issued on March 28, 2007 by the RoC.

For details of changes in the registered office, please refer the chapter titled ‘*History and Other Corporate Matters*’ beginning on page 104 of this Red Herring Prospectus.

### Registered & Corporate Office of the Company

Turner Morrison Building,  
1<sup>st</sup> Floor, 16 Bank Street, Fort,  
Mumbai- 400 001  
Maharashtra, India.  
Tel No: +91-22-22709100  
Fax No: +91-22-22704600  
Email id: ipo@coxandkings.com  
Website: [www.coxandkings.com](http://www.coxandkings.com)

Corporate Identification Number: U99999MH1950PLC011352

### Address of the Registrar of Companies

The Company is registered at the Registrar of Companies, Maharashtra, located at Everest 5<sup>th</sup> Floor, 100 Marine Drive, Mumbai – 400 002, Maharashtra, India.

### Board of Directors

The Company’s Board of Directors comprises the following:

Sr. No.	Name, Designation, Father’s Name, Address, Occupation, Nationality, and DIN	Designation	Nature of Directorship	Age (in years)	Address
1	<b>Mr. A. B. M. Good</b> S/o. Mr. Meyrick George Bruton Good Occupation - Business, Nationality: British Citizen DIN - 00189453	Chairman	Executive	76 years	Clench House, Wootton Rivers, Marlborough, Wiltshire, Gloucestershire, SN8 4NT, U.K.
2	<b>Mr. Ajay Ajit Peter Kerkar</b> S/o Dr. Ajit B. Kerkar Occupation - Business, Nationality : Indian DIN- 00202891	Director	Executive	46 years	No.9, South Lands, 4th Floor, Shahid Bhagatsingh Road, Colaba, Mumbai-400 039
3	<b>Ms. Urrshila Kerkar</b> D/o Dr. Ajit B. Kerkar Occupation – Business, Nationality: British Citizen DIN – 00021210	Whole Time Director	Executive	51 years	11, Nowroji Mansion, 31, Woodhouse Road, N. P. Marg, Colaba, Mumbai – 400 039



Sr. No.	Name, Designation, Father's Name, Address, Occupation, Nationality, and DIN	Designation	Nature of Directorship	Age (in years)	Address
4	<b>Mr. Pesi Patel</b> S/o Mr. Savak Pestonji Patel Occupation - Business, Nationality : Indian DIN- 0016091	Director	Independent	57 years	Lyndewode House, Bomanji Petit Road, Cumbala Hill, Mumbai-400 026
5	<b>Mr. Mahalinga Narayanan</b> S/o Mr. Kuppus Mahalinga Iyer Occupation - Business Nationality: Indian DIN- 00159288	Director	Independent	64 years	C-4/128, Safdarjung Development Area, New Delhi- 110 016.
6	<b>Mr. Subhash Chandra Bhargava</b> S/o Late Jyoti Swarup Bhargava Occupation – Business, Nationality: Indian DIN – 00020021	Director	Independent	64 years	B- 1305, Wing, Dosti Aster (Dosti Acres), New Uphill Link Road, Off. S. M. Road, Wadala (East), Mumbai - 400 037

#### Brief Details of our Chairman and Executive Directors

Two of our Directors are related to each other. Mr. Ajay Ajit Peter Kerkar is the brother of Ms. Urrshila Kerkar. For further details of our Chairman and other Directors, please refer the chapter titled 'Our Management' beginning on page 132 of this Red Herring Prospectus.

#### Company Secretary & Compliance Officer

##### Ms. Rashmi Jain

Turner Morrison Building,  
1<sup>st</sup> Floor, 16 Bank Street, Fort,  
Mumbai - 400 001  
Maharashtra, India  
Tel No: 91-22-2270 9100  
Fax No: +91-91-22-2270 9161  
Email: [ipo@coxandkings.com](mailto:ipo@coxandkings.com)  
Website: [www.coxandkings.com](http://www.coxandkings.com)

**Investors can contact the Compliance Officer or the Registrar, Karvy Computershare Private Limited in case of any Issue related problems such as non-receipt of the letters of allotment, credit for allotted Equity Shares in the respective beneficiary account or refund orders etc.**

#### Bankers to the Company

<b>State Bank of Patiala</b> Commercial Branch, Atlanta, 1 <sup>st</sup> floor, Nariman Point, Mumbai- 400021 Maharashtra Tel: +91 22 2204 0225, 2282 2547 Fax: +91 22 6637 5703 Email: <a href="mailto:spb313@gmail.com">spb313@gmail.com</a> Website: <a href="http://www.sbp.co.in">www.sbp.co.in</a>	<b>State Bank of India</b> Commercial Branch, N.G.N. Vaidya Marg, Bank Street, Horniman Circle, Post Box 10141, Mumbai – 400 001. Tel: +91 22 2266 2205 Fax: +91 22 2262 6474 Email: <a href="mailto:dgm06070@sbi.co.in">dgm06070@sbi.co.in</a> Website: <a href="http://www.sbi.co.in">www.sbi.co.in</a>
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## **Book Running Lead Manager**

### **India Infoline Limited**

10<sup>th</sup> Floor, One IBC,  
Jupiter Mill Compound  
841, S.B.Road, Nr. Elphinstone Road,  
Lower Parel, Mumbai – 400 013  
Tel. +91 22 4646 4600;  
Fax +91 22 4646 4700  
Email: [cnk.ipo@iiflcap.com](mailto:cnk.ipo@iiflcap.com)  
Website: [www.iiflcap.com](http://www.iiflcap.com)  
Contact Person: Mr. Pinkesh K. Soni / Mr. Satish Ganega  
SEBI Reg. No.: INM 000010940

## **Syndicate Member(s)**

### **India Infoline Limited**

10<sup>th</sup> Floor, One IBC,  
Jupiter Mill Compound  
841, S.B.Road, Nr. Elphinstone Road,  
Lower Parel, Mumbai – 400 013  
Tel. +91 22 4646 4600;  
Fax +91 22 4646 4700  
Email: [cnk.ipo@iiflcap.com](mailto:cnk.ipo@iiflcap.com)  
Website: [www.indiainfoline.com](http://www.indiainfoline.com)  
Contact Person: Ms. Meghna Chauhan/ Mr. Harshit Jain  
SEBI Reg. No.: INM 000010940

### **Axis Bank Limited**

Central Office: 111, Maker Tower 'F',  
Cuffe Parade, Colaba,  
Mumbai 400 005, India  
Tel: +91 22 6707 1425 /1312  
Fax: +91 22 6707 1264  
Email: [axbmbd@axisbank.com](mailto:axbmbd@axisbank.com)  
Website: [www.axisbank.com](http://www.axisbank.com)  
Contact Person: Mr. Sandeep Walawalkar / Mr. Dipen Kapadia  
SEBI Registration No.: INM000006104

## **Legal Advisors to the Issue**

### **Khaitan & Co.**

Meher Chambers, 4th and 5th Floor,  
R K Marg, Ballard Estate,  
Mumbai 4000 038  
Tel: +91 22 6636 5000  
Fax: +91 22 6636 5050  
Email: [project.travel@khaitanco.com](mailto:project.travel@khaitanco.com)

## Registrar to the Issue

### Karvy Computershare Private Limited

Plot No. 17 to 24,  
Vithalrao Nagar, Madhapur,  
Hyderabad – 500 081  
Andhra Pradesh, India  
Tel: + 91 40 234220815  
Fax: + 91 40 23420814  
E-mail: [cnk.ipo@karvy.com](mailto:cnk.ipo@karvy.com)  
Contact Person: Mr. M. Murali Krishna  
Website: [www.karvy.com](http://www.karvy.com)  
SEBI Registration Number: INR 000000221

## Statutory Auditors of the Company

### Chaturvedi & Shah,

Chartered Accountants  
714-715, Tulsiani Chambers,  
212 Nariman Point  
Mumbai - 400 021  
Tel: + 91 22 3021 8500  
Fax: + 91 22 3021 8595  
Email: [cas@chaturvedi-and-shah.com](mailto:cas@chaturvedi-and-shah.com)  
Contact Person: Mr. Amit Chaturvedi

## Monitoring Agency\*

### State Bank of India

Commercial Branch (Advances),  
N.G.N Vaidya Marg,  
Bank Street, Horniman Circle,  
Post Box 10141, Mumbai 400 001  
Tel: + 91 22 2266 2205  
Fax: + 91 22 2262 6474  
Email: [dgm06070@sbi.co.in](mailto:dgm06070@sbi.co.in)

*\* In case the Fresh Issue is less than Rs, 5,000 Mn, then the monitoring of the Issue Proceeds by the Monitoring Agency will not arise in terms of Regulation 16(1) of SEBI Regulation and accordingly the monitoring agency will not have any obligations to discharge.*

## Bankers to the Issue and Escrow Collection Bank(s)

<b>Axis Bank Limited</b> Fort Branch Universal Insurance Building, Sir P M Road, Fort, Mumbai-400001 Tel: + 91 22 6610 7353 Fax: + 91 22 6610 7293 Email: <a href="mailto:rajesh.khandelwal@axisbank.com">rajesh.khandelwal@axisbank.com</a> Website : <a href="http://www.axisbank.com">www.axisbank.com</a> Contact Person: Mr. Rajesh Khandelwal SEBI Registration No.: INBI00000017	<b>Deutsche Bank AG</b> Kodak House, 1st Floor, 222 Dr. D. N. Road, Fort, Mumbai 400 001 Tel: + 91 22 6658 4045 Fax: + 91 22 6706 3860/61 Email: <a href="mailto:shyamal.malhotra@db.com">shyamal.malhotra@db.com</a> Website : <a href="http://www.db.com">www.db.com</a> Contact Person: Mr. Shyamal Malhotra SEBI Registration No.: INBI00000003
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<p><b>HDFC Bank Limited</b> Lodha I - Think Techno Campus, 3rd Floor, Kanjur Marg, Mumbai 400042 Tel: + 91 09324272185 Fax: + 91 22 2579 9801 Email: <a href="mailto:deepak.rane@hdfcbank.com">deepak.rane@hdfcbank.com</a> Website : <a href="http://www.hdfcbank.com">www.hdfcbank.com</a> Contact Person: Mr. Deepak Rane SEBI Registration No.: INBI00000063</p>	<p><b>Standard Chartered Bank</b> 270, D.N. Road, Fort, Mumbai 400 001 Tel: + 91 22 2268 3955 Fax: + 91 22 2209 2216 Email: <a href="mailto:joseph.george@in.standardchartered.com">joseph.george@in.standardchartered.com</a> Website : <a href="http://www.standardchartered.co.in">www.standardchartered.co.in</a> Contact Person: Mr. Joseph George SEBI Registration No.: INBI00000885</p>
<p><b>State Bank of India</b> Capital Market Branch Ground Floor, Mumbai Main Branch Building Mumbai Samachar Marg, Fort, Mumbai – 400 023 Tel: +91 22 2269 1561 +91 22 2266 2133 Fax: +91 22 2267 0745 +91 22 2266 4959 Email: <a href="mailto:vidya.krishnan@sbi.co.in">vidya.krishnan@sbi.co.in</a> / <a href="mailto:rajeev.kumar@sbi.co.in">rajeev.kumar@sbi.co.in</a> Website : <a href="http://www.sbi.co.in">www.sbi.co.in</a> Contact Person: Ms. Vidya Krishnan/ Mr. Rajevev Kumar SEBI Registration No.: INBI00000038</p>	<p><b>The HongKong and Shanghai Banking Corporation Limited</b> HSBC, 52/60, M. G. Road, Fort, Mumbai 400 001 Tel: + 91 22 4035 7458 Fax: + 91 22 4035 7657 Email: <a href="mailto:swapnilpavale@hsbc.co.in">swapnilpavale@hsbc.co.in</a> Website : <a href="http://www.hsbc.co.in">www.hsbc.co.in</a> Contact Person: Mr. Swapnil Pavale SEBI Registration No.: INBI00000027</p>

#### Refund Bank to the Issue

##### Axis Bank Limited

Fort Branch  
Universal Insurance Building,  
Sir P M Road, Fort,  
Mumbai-400001  
Tel: + 91 22 6610 7353  
Fax: + 91 22 6610 7293  
Email: [rajesh.khandelwal@axisbank.com](mailto:rajesh.khandelwal@axisbank.com)  
Website: [www.axisbank.com](http://www.axisbank.com)  
Contact Person: Mr. Rajesh Khandelwal  
SEBI Registration No.: INBI00000017

#### Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCCSBs collecting the ASBA Bid cum application Form please refer the above mentioned SEBI website

#### Brokers to the Issue

All the members of the recognized stock exchanges would be eligible to act as the Brokers to the Issue.

#### IPO Grading Agency

##### Credit Analysis & Research Limited

4<sup>th</sup> Floor, Godrej Coliseum,  
Somaiya Hospital Road,  
Off Eastern Express Highway,  
Sion (East), Mumbai - 400 022

Tel: +91 22 67543434  
Fax: +91 22 67543457  
Email: [dr.dogra@careratings.com](mailto:dr.dogra@careratings.com)  
Contact Person: D.R. Dogra  
Website: [www.careratings.com](http://www.careratings.com)

## **IPO Grading**

This Issue has been graded by Credit Analysis and Research Limited (“CARE”) and has been assigned IPO Grade 4 indicating above average fundamentals through its letter dated September 17, 2009 and has been reaffirmed by the letter dated November 11, 2009.

The IPO grading is assigned on a five point scale from 1 to 5 with an “IPO Grade 5” indicating strong fundamentals and an “IPO Grade 1” indicating poor fundamentals. Attention is drawn to the disclaimer appearing on page 364 of this Red Herring Prospectus.

This grading expired within two months from the date of the report. The rationale for the Grade assigned to our Company's IPO by CARE, has been set out in its report. A summary of the rationale for the grading assigned by CARE in its report is reproduced below:

### ***Grading Rationale***

*The grading derives strength from long track record of the company, experienced promoters, diversified operations and recognised brand name in domestic and international markets. The ratings also take into account improved operational performance over the years leading to steady growth in gross margins and presence of subsidiaries and associate companies across the globe, facilitating synergy of operations.*

*The grading is constrained by the increasing debt profile of the Company, fragmented nature of the domestic travel industry and its correlation with the economic growth. The ability of C&K to maintain growth and protect margins under the present downturn in the tourism industry consequent to global financial turmoil and swine flu scare remains the key grading sensitivity. For Further details, please refer page 465.*

## **Credit Rating**

As this is an issue of Equity Shares there is no credit rating for this Issue.

## Statement of Responsibility of the Book Running Lead Manager

Sr. No	Activity	Responsibility
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	IIFL
2.	Due diligence of the Company including its operations/management/ business/plans/legal, etc. Drafting and design of the Offer Document, and of statutory advertisement including a memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing. including co-ordination with Auditors for preparation of financials and drafting and approving all statutory advertisements.	IIFL
3.	Drafting and approval of all publicity material including the statutory advertisements as mentioned above, including road show presentations, corporate advertising, brochures, etc.	IIFL
4.	Appointment of other intermediaries' viz., Registrar to the Issue, Printers, Advertising Agency, Bankers to the Issue.	IIFL
5.	Preparation of road show presentation and frequently asked questions;	IIFL
6.	International institutional marketing of the Issue, which will cover, <i>inter alia</i> :	IIFL
	<ul style="list-style-type: none"> <li>• Finalising the list and division of investors for one-to-one meetings; and</li> <li>• Finalising the road show schedule and the investor meeting schedules.</li> </ul>	
7.	Domestic institutional marketing of the Issue, which will cover, <i>inter alia</i> :	IIFL
	<ul style="list-style-type: none"> <li>• Finalising the list and division of investors for one-to-one meetings; and</li> <li>• Finalising the road show schedule and the investor meeting schedules.</li> </ul>	
8.	Non-institutional and retail marketing of the Issue, which will cover, <i>inter alia</i> :	IIFL
	<ul style="list-style-type: none"> <li>• Formulating marketing strategies and preparation of publicity budget;</li> <li>• Finalising media and public relations strategy;</li> <li>• Finalising centres for holding conferences for press, brokers, etc.;</li> <li>• Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material;</li> <li>• Finalising collection centres and arranging for selection of Underwriter and execution of an underwriting agreement; and</li> <li>• Coordination with the Stock Exchanges for book building software, bidding terminals and mock trading.</li> </ul>	
9.	Pricing, managing the book and coordination with Stock-Exchanges	IIFL
10.	The post bidding activities including management of escrow accounts, co-ordinate non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to bidders etc	IIFL
11.	Post-Bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, coordination with the Registrar to the Issue and Bankers to the Issue, intimation of allocation and dispatch of refunds to Bidders, etc. The post-Issue activities will involve essential follow up steps, including the finalisation of trading, dealing of instruments and dispatch of certificates and demat of delivery of shares with the various agencies connected with these activities such as the Registrar to the Issue, the Bankers to the Issue and the bank handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfil their functions and for enabling them to discharge their responsibilities through suitable agreements with the Company.	IIFL

### Trustees

As this is an issue of Equity Shares, the appointment of trustees is not required

### Project Appraisal

None of the proposed projects have been appraised by any agency and the Project Cost and Means of Finance are based on estimates made by the Management of our Company.

## Book Building Process

Book Building Process refers to the process of collection of Bids, on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is fixed after the Bid/ Issue Closing Date.

The principal parties involved in the Book Building Process are:

1. The Company;
2. The Selling Shareholders
3. Book Running Lead Managers;
4. Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as underwriters. Syndicate Member(s) are appointed by the BRLM;
5. Escrow Collection Banks; and
6. Registrar to the Issue.
7. Self Certified Syndicate Banks

The Issue is being made through a 100% Book Building Process wherein up to 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers, out of which 5% of QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid bids being received at or above Issue Price. The QIB Portion include Anchor Investor Portion and the Company may consider participation by Anchor Investors in the Net Issue for up to 2,744,496 Equity Shares in accordance with applicable SEBI Regulations. Further not less than 15% of the Net Issue shall be available for allocation on proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders subject to valid bids being received from them at or above the Issue Price. Further, up to 200,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid bids being received from them at or above the Issue Price.

Our Company shall comply with Regulations issued by SEBI for this Issue. In this regard, our Company has appointed India Infoline Limited, as the BRLM to manage the Issue and to procure subscription to the Issue.

**Under the SEBI Regulations, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date. In addition, QIBs are required to pay the QIB Margin Amount, representing at least 10% of the Bid Amount, upon submission of their Bids. Allocation to QIBs will be on a proportionate basis. For details, please refer the chapter titled ‘Issue Structure’ beginning on page 375 of this Red Herring Prospectus.**

Resident Retail Individual Bidders have the option to submit their Bids under the “ASBA Process”, which would entail blocking of funds in the investor’s bank account rather than transfer of funds to the respective Escrow Accounts. For details, please refer chapter titled “Issue Procedure for ASBA Bidders” beginning on page 415 of the Red Herring Prospectus.

The process of book building under the SEBI Regulations is subject to change. Investors are advised to make their own judgement about an investment through this process prior to submitting a Bid in the Issue.

### Illustration of Book Building and the Price Discovery Process

*(Investors may note that this illustration is solely for the purpose of easy understanding and is not specific to the Present Issue)*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 40 to Rs. 48 per share, Issue size of 6,000 equity shares and receipt of nine bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the website of the BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)). The illustrative table as shown below shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Number of equity shares bid for	Bid Price (Rs.)	Cumulative equity shares bid	Subscription
500	48	500	8.33%
700	47	1,200	20.00%
1,000	46	2,200	36.67%

400	45	2,600	43.33%
500	44	3,100	51.67%
200	43	3,300	55.00%
2,800	42	6,100	101.67%
800	41	6,900	115.00%
1,200	40	8,100	135.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e. Rs. 42 in the above example. The Issuer in consultation with the BRLM and the Selling Shareholders will finalize the issue price at or below such cut off price i.e. at or below Rs. 42. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in respective category.

#### Steps to be taken by the Bidders for bidding:

- Check eligibility for making a Bid. Please refer to '*Issue Procedure- Who Can Bid*' on page 381 of this Red Herring Prospectus;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid cum Application Form; and
- Provide PAN card details on the Bid cum Application Form without this information the documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not provide the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**
- The Bidder should ensure the correctness of his or her Demographic Details (as defined in '*Issue Procedure - Bidder's Depository Account Details and Bank Account Details*' on page 398 of this Red Herring Prospectus) given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant so as to ensure receipt of allotment advice/refund orders with correct details at his/her present address

For further details, please refer the chapter titled '*Issue Procedure*' beginning on page 380 of this Red Herring Prospectus.

#### Withdrawal of the Issue

Our Company in consultation with the BRLM and the Selling Shareholders reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment of Equity Shares, without assigning any reason thereof. If our Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue. The notice shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

In the event of withdrawal of the Issue anytime after the Bid/Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

In terms of the SEBI -Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.



**Bid/Issue Programme:**

<b>BID/ ISSUE OPENS ON:</b>	<b>November 18, 2009</b>
<b>BID/ ISSUE CLOSES ON:</b>	<b>November 20, 2009</b>

Our Company may consider participation by Anchor Investors in terms of the SEBI Regulations. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form. **On the Bid/Issue Closing Date (excluding ASBA Bidders), Bids shall be accepted only between 10.00 a.m. and 1.00 p.m. (Indian Standard Time)** and uploaded till

- (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and
- (ii) Until 5.00 p.m. or such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000.

**It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.**

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application Form submitted through the ASBA process, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. All times are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not be uploaded due to lack of sufficient time to upload and such Bids that cannot be uploaded will not be considered for allocation under the Issue and the Company, the Selling Shareholders, the BRLM and the members of the Syndicate shall not be responsible for this. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

Investors please note that as per letter no. List/smd/sm/2006 dated July 03, 2006 and letter no. NSE/IPO/25101-6 dated July 06, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and Holidays as declared by the exchanges.

Our Company in consultation with the Selling Shareholders reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Regulations. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 20 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs.5,000 to Rs.7,000.

**In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the**

**NSE and the BSE, by issuing a press release, and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate. The Price Band will be decided by our Company in consultation with the BRLM.**

### **Underwriting Agreement**

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholders intends to enter into an Underwriting Agreement with the Underwriter for the Equity Shares proposed to be issued and sold in the Issue. Pursuant to the terms of the Underwriting Agreement, if entered into, the BRLM shall be responsible for bringing in the amount devolved in the event that the members of the Syndicate do not fulfil their underwriting obligations. The Underwriting shall be to the extent of the bids uploaded by the Underwriter including through its syndicates / sub-syndicates. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions to closing, as specified therein.

The Underwriter has indicated their intention to underwrite the following number of Equity Shares:  
(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

<b>Name and Address of the Underwriter</b>	<b>Indicative Number of Equity Shares to be Underwritten</b>	<b>Amount Underwritten (Rs. in million)</b>
<b>India Infoline Limited</b> 10 <sup>th</sup> Floor, One India Bull Centre, Jupiter Mill Compound 841, S.B.Road, Nr. Elphinstone Road, Lower Parel, Mumbai – 400 013 Tel. +91 22 4646 4600; Fax +91 22 4646 4706 SEBI Reg. No.: INM 000010940	[•]	[•]
<b>Axis Bank Limited</b> Central Office: 111, Maker Tower ‘F’, Cuffe Parade, Colaba, Mumbai 400 005, India <b>Tel:</b> +91 22 6707 1425 /1312 <b>Fax:</b> +91 22 6707 1264 <b>SEBI Registration No.:</b> INM000006104	[•]	[•]
<b>Total</b>	[•]	[•]

The above-mentioned underwriting will be finalised after determination of the Issue Price and actual allocation of the Equity Shares. The Underwriting Agreement is dated [•], 2009 and has been approved by the Board of Directors.

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The above Underwriting Agreement has been accepted by the Board of Directors acting through the Chairman of our Company and our Company has issued letters of acceptance to the Underwriters.

Allocation among the Underwriter may not necessarily be in the proportion of their underwriting commitments. Notwithstanding the above table, the BRLM and the Syndicate Member(s) shall be responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe for Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The BRLM shall be responsible for bringing in amounts devolved in the event that the other members of the Syndicate do not fulfil their underwriting obligations.

## CAPITAL STRUCTURE

Set forth below is our Equity Share Capital as at the date of this Red Herring Prospectus:

	Particulars	Aggregate Value at Nominal Price (Rs.)	Aggregate Value at Issue Price (Rs.)
<b>A</b>	<b>Authorised Share Capital</b>		
	110,000,000 Equity Shares of Rs. 10/- each	1,100,000,000	1,100,000,000
<b>B</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital before the Issue</b>		
	47,472,942 Equity Shares of Rs 10/-each fully paid- up	474,729,420	[●]
<b>C</b>	<b>Present Issue in terms of this Red Herring Prospectus</b>		
	18,496,640 Equity Shares of Rs. 10/- each	184,966,400	[●]
	<i>comprising of</i>		
<b>a)</b>	<b>Fresh Issue<sup>(1)</sup> of</b>		
	15,450,000 Equity Shares of Rs 10/- each	154,500,000	[●]
<b>b)</b>	<b>Offer for Sale<sup>(2)</sup> of</b>		
	3,046,640 Equity Shares of Rs 10/- each	30,466,400	[●]
	<i>Out of which</i>		
	<b>Employee Reservation Portion<sup>(3)</sup></b>		
	200,000 Equity Shares of Rs. 10/- each	2,000,000	[●]
	<i>And</i>		
	<b>Net Issue to the Public</b>		
	18,296,640 Equity Shares of Rs. 10/- each	182,966,400	[●]
	<i>of which:</i>		
	<b>QIB Portion<sup>(4)&amp;(5)</sup></b>		
	Up to 9,148,320 Equity Shares of Rs. 10/- each		
	<b>Non-Institutional Portion<sup>(5)</sup>:</b>		
	Not less than 2,744,496 Equity Shares of Rs. 10/- each		
	<b>Retail Portion<sup>(5)</sup>:</b>		
	Not less than 6,403,824 Equity Shares of Rs. 10/- each		
<b>D</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital after the Issue</b>		
	62,922,942 Equity Shares of Rs 10/-each fully paid- up	629,229,420	[●]
<b>E</b>	<b>Share Premium Account</b>		
	Share Premium Account before the Issue		610.86
	Share Premium Account after the Issue <sup>#</sup>		[●]

<sup>#</sup> The Share Premium Account shall be determined after the Book Building Process

<sup>(1)</sup> The Fresh Issue has been authorized pursuant to a resolution of our Board dated July 6, 2009 and by special resolution passed under Section 81(1A) of the Companies Act, 1956 at an Annual General Meeting of our shareholders held on August 10, 2009.

<sup>(2)</sup> The Offer for Sale authorization:

- The Offer for Sale of 1,086,640 Equity Shares has been authorized by the Lehman Brothers Opportunity Limited by a resolution of its Board dated August 13, 2009.
- The Offer for Sale of 1,080,000 Equity Shares has been authorized by the Deutsche Securities Mauritius Limited by a

resolution of its Board dated August 19, 2009.

- The Offer for Sale of 880,000 Equity Shares has been authorized by the Merrill Lynch Capital Markets Espana, S.A.,S.V vide a Power of Attorney dated May 18, 2009.

<sup>(3)</sup> For Eligible Employee, see the chapter titled 'Definitions and Abbreviations – Issue Related Terms' beginning on page i of this Red Herring Prospectus.

<sup>(4)</sup> Allocation to QIBs is proportionate as per the terms of this Red Herring Prospectus. 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Further attention of all QIBs is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid-cum-Application Forms after 1 p.m. on the Bid/Issue Closing Date; and (b) each QIB, including a Mutual Fund, is required to deposit a Margin Amount of at least 10% with its Bid-cum-Application Form.

<sup>(5)</sup> Under subscription, if any, in QIB, Retail and Non-Institutional Category would be met with spill-over from other categories or a combination of categories. Under subscription, if any in the Employees Reservation Portion will be added back to the Net Issue to the Public. In case of under subscription in the Net Issue, spill-over to the extent of under subscription shall be permitted from the Employees Reservation Portion. Such inter-se spill over, if any, will be at the discretion of the Company in consultation with the BRLM and the Selling Shareholders. Investors may note that in case of over-subscription in the Issue, allotment to QIB Bidders, Non-Institutional Bidders, Retail Bidders and Eligible Employees bidding under Employees Reservation Portion shall be on a proportionate basis.

## Notes to the Capital Structure:

### 1. Details of increase in Authorised Share Capital since incorporation:

Sr. No	Date of Meeting	Nature of increase/change	No. of Equity Shares Increased	Cumulative Number of Equity Shares	Face Value	Cumulative Authorized Share Capital (Rs.)	AGM/ EGM
1	June 7, 1939	Incorporation	-	10,000	10	100,000	AGM
2.	June 3, 1980	Increase	90,000	100,000	10	1,000,000	EGM
3.	July 19, 1982	Increase	400,000	500,000	10	5,000,000	EGM
4.	February 28, 1995	Increase	300,000	800,000	10	8,000,000	EGM
5.	December 22, 1998*	Increase	500,000	1,300,000	10	25,000,000	AGM
6.	May 2, 2005	Increase	8,700,000	10,000,000	10	100,000,000	EGM
7.	September 19, 2007	Increase	30,000,000	40,000,000	10	400,000,000	AGM
8.	January 1, 2009	Increase	70,000,000	110,000,000	10	1,100,000,000	EGM

\*The authorized share capital was increased from Rs 8,000,000 consisting of 800,000 Equity Shares of face value of Rs.10/- each to Rs. 25,000,000 consisting of 1,300,000 Equity Shares of face value of Rs.10/- each and 100,000 Cumulative Redeemable Preference Shares of Rs.100/- each and 200,000 unclassified shares of Rs. 10/- each.

### 2. Share Capital History of our Company:

Our Company has made allotments of Equity Shares from time to time. Our Company has not made any allotment of preference shares. The following is the equity share capital history of our Company:

Sr. No.	Date of Allotment of fully Paid-up Shares	Number of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Particulars	Cumulative Number of Shares Allotted	Cumulative Paid Up Share Capital (Rs.)	Cumulative Share Premium (Rs.)
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Sr. No.	Date of Allotment of fully Paid-up Shares	Number of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Particulars	Cumulative Number of Shares Allotted	Cumulative Paid Up Share Capital (Rs.)	Cumulative Share Premium (Rs.)
1	June 9, 1939	1,000	10	10	Fresh	Cash	Subscription to the Memorandum of Association	1,000	10,000	Nil
							Mr. J. Dawson 300			
							Mr. N. T. Williams 300			
							Mr. E. H. Shuttleworth 300			
2	July 27, 1939	500	10	10	Fresh	Cash	Further allotment to subscribers	1,500	15,000	Nil
							Mr. J. Dawson 200			
							Mr. E. H. Shuttleworth 300			
3	October 27, 1980	98,500	10	10	Fresh	Cash and consideration other than cash	Transfer of the Indian business of Cox & Kings (Agents) Limited.1	100,000	1,000,000	Nil
4	December 28, 1982	5,000	10	10	Fresh	Cash	Further allotment to:	105,000	1,050,000	Nil
							Mr. A N Khandari jointly with Mr. Naveen Khandari 5,000			
5	May 31, 1983	5,000	10	10	Fresh	Cash	Further allotment to:	110,000	1,100,000	Nil
							Mr. A N Khandari jointly with Mr. Naveen Khandari 5,000			
6	July 1, 1983	15,000	10	10	Fresh	Cash	Further allotment to:	125,000	1,250,000	Nil
							Mr. A N Khandari jointly with Mr. Naveen Khandari 5,000			
							Mr. Surekha Kandhari jointly with Mr. Naveen Kandhari			

Sr. No.	Date of Allotment of fully Paid-up Shares	Number of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Particulars	Cumulative Number of Shares Allotted	Cumulative Paid Up Share Capital (Rs.)	Cumulative Share Premium (Rs.)
							10,000			
7	August 10, 1983	5,000	10	10	Fresh	Cash	Further allotment to: Ms. Surakhsha Khandari 2,500 Mr. Naveen Khandari 2,500	130,000	1,300,000	Nil
8	November 26, 1983	20,000	10	10	Fresh	Cash	Further allotment to: Cox & Kings Limited, UK 20,000	150,000	1,500,000	Nil
9	May 2, 1985	50,000	10	10	Fresh	Cash	Further allotment to: Cox & Kings Limited, UK 20,000 Piem Investment & Finance Limited 11,000 Mr. Naveen Khandari 3,000 Mr. Maharaja Prithviraj 7,000 Taj Trade & Investment 9,000	200,000	2,000,000	Nil
10	March 31, 1990	200,000	10	10	Right Issue <sup>i</sup>	Cash	Right Issue in the ratio of 1:1	400,000	4,000,000	Nil
11	August 1, 1996	194,750	10	50	Right Issue <sup>ii</sup>	Cash	Right Issue in the ratio of 1:2	594,750	5,947,500	7,790,000
12	March 31, 1997	5,250	10	50	Right Issue <sup>ii</sup>	Cash	Balance allotment of equity shares for the Right Issue made on August 1, 1996, made to Mr. A. B. Kerkar jointly with Ms. Elizabeth Kerkar	600,000	6,000,000	8,000,000
13	November 5, 1998	200,000	10	60	Right Issue <sup>iii</sup>	Cash	Right Issue in the ratio of	800,000	8,000,000	18,000,000

Sr. No.	Date of Allotment of fully Paid-up Shares	Number of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Particulars	Cumulative Number of Shares Allotted	Cumulative Paid Up Share Capital (Rs.)	Cumulative Share Premium (Rs.)
							1:2			
14	September 19, 2000	40,000	10	10	Fresh Issue	Cash	ESOP <sup>2</sup>	840,000	8,400,000	18,000,000
15	June 20, 2003	60,000	10	200	Fresh Issue	Consideration other than cash	Equity shares were issued to Tulip Star Hotels Limited as part consideration towards acquiring their Forex Division	900,000	9,000,000	29,400,000
16	June 2, 2005	4,540,000	10	50	Right Issue <sup>iv</sup>	Cash	Right Issue in the ratio of 6:1	5,440,000	54,400,000	211,000,000
17	September 1, 2007	1,041,315	10	394	Fresh Issue	Consideration other than cash	Acquisition of controlling stakes in Cox & Kings Limited, U.K and Cox & Kings (Japan) Limited <sup>3</sup>	6,481,315	64,813,150	610,864,960
18	October 15, 2007	19,443,945	10	Nil	Bonus Issue <sup>#</sup>	Nil	Bonus Issue in the ratio of 3:1	25,925,260	259,252,600	610,864,960
19	October 15, 2007	2,000,000	10	10	Fresh Issue	Cash	Preferential allotment to Urrshila Kerkar <sup>4</sup>	27,925,260	279,252,600	610,864,960
20	July 23, 2009	19,547,682	10	10	Right Issue <sup>v</sup>	Cash	Right Issue in the ratio of 7:10	47,472,942	474,729,420	610,864,960

**Notes:**

<sup>1</sup>RBI vide letter dated May 14, 1980, approved the allotment of 38,500 equity shares as part consideration towards the transfer of the Indian business of Cox & Kings (Agents) Limited to our Company subject to the condition that the non resident interest in the equity share capital of the Company including 1,500 equity shares already held by Cox & Kings (Agents) Limited would not exceed 40% of the total equity share capital of the Company. 57,000 equity shares were issued to resident Indians and 3,000 equity shares were issued to a staff gratuity fund trust.

<sup>2</sup>As on the date of this Red Herring Prospectus, there were no outstanding Stock Options pursuant to ESOP scheme 2000. The entire options had been exercised and converted into Equity Shares in FY 2000-2001. Following Employees were issued shares during the scheme:

Mr. Rakesh Kumar 5,000 shares, Mr. A. Ramesh 4,000 shares, Mr. Subhash Wagle 4,000 shares, Mr. M. Pikle 5,000 shares, Mr. Arup Sen 5,000 shares, Mr. T. B. Billimoria 5,000 shares, Mr. Yusuf Poonawala 4,000 shares, Mr. Kshitij Prasad 4,000 shares and Mr. Cyrus Sarkar 4,000 shares

<sup>3</sup>Pursuant to FIPB letter dated August 6, 2007, approving acquisition of 100% of paid up equity share capital of Cox &

Kings Ltd U.K. and 41.17% of the paid up equity share capital of Cox & Kings (Japan) Limited, preferential allotment was made to the shareholders of Cox & Kings Ltd. UK and Cox & Kings (Japan) Limited

<sup>4</sup>Preferential allotment to Ms. Urrshila Kerkar, one of our Promoters.

<sup>#</sup>Our Company, on October 15, 2007, issued bonus shares to its eligible members as per the Companies Act,1956, in the ratio of Three Equity Share for every One Equity Shares held by members and such new shares were fully paid and ranked pari passu with the existing equity shares. A total of 19,443,945 Equity Shares were issued.

<sup>i</sup>Our Company, on March 31, 1990, issued shares for cash at par on right basis to its eligible members as per the Companies Act,1956, in the ratio of One Equity Share for every One Equity Shares held by members and such new shares were fully paid and ranked pari passu with the existing equity shares. A total of 200,000 Equity Shares were issued.

<sup>ii</sup>Our Company, on August 1, 1996, issued shares for cash at par on right basis to its eligible members as per the Companies Act,1956, in the ratio of One Equity Share for every Two Equity Shares held by members and such new shares were fully paid and ranked pari passu with the existing equity shares. A total of 200,000 Equity Shares were issued.

<sup>iii</sup>Our Company, on November 5, 1998, issued shares for cash at par on right basis to its eligible members as per the Companies Act,1956, in the ratio of One Equity Share for every Three Equity Shares held by members and such new shares were fully paid and ranked pari passu with the existing equity shares. A total of 200,000 Equity Shares were issued.

<sup>iv</sup> Our Company, on June 2, 2005, issued shares for cash at par on right basis to its eligible members as per the Companies Act,1956, in the ratio of Six Equity Share for every One Equity Shares held by members and such new shares were fully paid and ranked pari passu with the existing equity shares. A total of 4,540,000 Equity Shares were issued.

<sup>v</sup> Our Company, on July 23, 2009, issued shares for cash at par on right basis to its eligible members as per the Companies Act,1956, in the ratio of Seven Equity Share for every Ten Equity Shares held by members and such new shares were fully paid and ranked pari passu with the existing equity shares. A total of 19,547,682 Equity Shares were issued.

### 3. Promoters Contribution and Lock-In:

#### a. History and Share Capital Build-up of the Promoters:

Name of the Promoter	Date of Allotment/ Transfer and made Fully Paid-up	Nature of Transaction <sup>#</sup>	No. of Equity Shares	Face Value (in Rs)	Issue/ Transfer Price (in Rs.)	Nature of Consideration	% of Pre-Issue paid-up Capital	% of Post-Issue paid-up Capital
Mr.A.B. M. Good	June 2, 2005	Right Issue *	960,000	10	50	Cash	2.0	1.5
	March 29, 2006	Transfer 1	(270,000)	10	597	Cash		
	May 2, 2006	Transfer 2	(220,000)	10	597	Cash		
	July 6, 2006	Transfer 3	(210,000)	10	597	Cash		
	September 1, 2007	Acquired pursuant to FIPB approval dated August 6, 2007	494,979	10	Nil	Nil	1.0	0.8
	October 15, 2007	Bonus	2,264,937	10	Nil	Nil	4.8	3.6
		<b>Total (A)</b>	<b>3,019,916</b>				<b>6.4</b>	<b>4.8</b>
Mr. Ajay Ajit Peter Kerkar	May 9, 1981	Transfer 4	3,000	10	10	Cash	0.0	0.0
	December 1, 1981	Transfer 5	2,000	10	10	Cash	0.0	0.0
	September 21, 1988	Transfer 6	(5,000)	10	10	Cash		



Name of the Promoter	Date of Allotment/ Transfer and made Fully Paid-up	Nature of Transaction <sup>#</sup>	No. of Equity Shares	Face Value (in Rs)	Issue/ Transfer Price (in Rs.)	Nature of Consideration	% of Pre-Issue paid-up Capital	% of Post-Issue paid-up Capital
	November 5, 1998	Right Issue	4,584	10	60	Cash	0.0	0.0
	June 2, 2005	Right Issue <sup>s</sup>	995,500	10	50	Cash	2.1	1.6
	May 23, 2006	Transfer 7	(65,660)	10	653	Cash		
	March 1, 2007	Gift <sup>ss</sup>	(657,000)	10	NA	Nil		
	October 15, 2007	Bonus	832,272	10	Nil	Nil	1.8	1.3
	December 19, 2007	Transfer 8	262,640	10	158.39	Cash	0.6	0.4
		<b>Total (B)</b>		<b>1,372,336</b>				<b>2.9</b>
Ms. Urrshila Kerkar	May 9, 1981	Transfer 9	2,000	10	10	Cash	0.0	0.0
	March 31, 1990	Right Issue	2,000	10	10	Cash	0.0	0.0
	August 1, 1996	Right Issue	2,000	10	50	Cash	0.0	0.0
	November 5, 1998	Right Issue	2,750	10	60	Cash	0.0	0.0
	June 2, 2005	Right Issue	361,200	10	50	Cash	0.8	0.6
	March 1, 2007	Gift <sup>ss</sup>	(300,000)	10	NA	Nil		
	October 15, 2007	Bonus	209,850	10	Nil	Nil	0.4	0.3
	October 15, 2007	Preferential Allotment	2,000,000	10	10	Cash	4.2	3.2
	<b>Total (C)</b>		<b>2,279,800</b>				<b>4.8</b>	<b>3.6</b>
Ms. Elizabeth Kerkar	April 9, 1981	Transfer 10	1,500	10	10	Cash	0.0	0.0
	November 16, 1981	Transfer 11	1,500	10	10	Cash	0.0	0.0
	December 1, 1981	Transfer 12	1,500	10	10	Cash	0.0	0.0
	March 5, 1982	Transfer 13	1,500	10	10	Cash	0.0	0.0
	March 31, 1990	Right Issue	6,000	10	10	Cash	0.0	0.0
	November 5, 1998	Right Issue	4,000	10	60	Cash	0.0	0.0
	June 2, 2005	Right Issue	143,300	10	50	Cash	0.3	0.2
	October 15, 2007	Bonus	477,900	10	Nil	Nil	1.0	0.7
	<b>Total (D)</b>		<b>637,200</b>				<b>1.3</b>	<b>1.0</b>
Liz Investments Private Limited	September 21, 1988	Transfer 14	5,000	10	10	Cash	0.0	0.0
	December 29, 1988	Transfer 15	6,000	10	10	Cash	0.0	0.0
	March 31, 1990	Right Issue	11,000	10	10	Cash	0.0	0.0
	September 3, 1993	Transfer 16	27,500	10	26	Cash	0.1	0.0
	June 23, 1994	Transfer 17	(15,000)	10	20	Cash		
	August 1, 1996	Right Issue	34,250	10	50	Cash	0.1	0.1
	March 31, 1997	Transfer 18	38,000	10	24	Cash	0.1	0.1
	October 25, 1997	Transfer 19	2,500	10	24	Cash	0.0	0.0

Name of the Promoter	Date of Allotment/ Transfer and made Fully Paid-up	Nature of Transaction <sup>#</sup>	No. of Equity Shares	Face Value (in Rs)	Issue/ Transfer Price (in Rs.)	Nature of Consideration	% of Pre-Issue paid-up Capital	% of Post-Issue paid-up Capital
	November 5, 1998	Right Issue	36,416	10	60	Cash	0.1	0.1
	May 27, 2000	Transfer 20	8,500	10	82.5	Cash	0.0	0.0
	June 17, 2000	Transfer 21	3,750	10	82.5	Cash	0.0	0.0
	September 26, 2000	Transfer 22	500	10	82.5	Cash	0.0	0.0
	June 2, 2005	Right Issue	1,354,000	10	50	Cash	2.9	2.2
	January 16, 2007	Transfer 23	208,000	10	800	Cash	0.4	0.3
	October 15, 2007	Bonus	5,161,248	10	Nil	Nil	10.9	8.2
		<b>Total (E)</b>	<b>6,881,664</b>				<b>14.5</b>	<b>10.9</b>
<b>Total ( A+B+C+D+E)</b>			<b>14,190,916</b>				<b>29.9</b>	<b>22.6</b>

<sup>\*</sup>Cox & Kings Limited, U.K renounced 960,000 shares in favor of Mr. A. B. M. Good in the Right Issue made on June 2, 2005; <sup>§</sup>includes the unsubscribed and applied portion of Right Issue offered to Mr. Ajay Ajit Peter Kerkar; <sup>§</sup> On March 1, 2007, Mr. Ajay Ajit Peter Kerkar and Ms. Urrshila Kerkar gifted 657,000 shares and 300,000 shares each to Mr. A. B. Kerkar; <sup>#</sup> for transfer details please refer the below mentioned table.

Trf. No.	Transfer Date	No of Equity Shares	From	To
1	March 29, 2006	270,000	Mr. A. B. M. Good	Deutsche Securities Mauritius Limited
2	May 2, 2006	220,000	Mr. A. B. M. Good	Merrill Lynch Capital Markets Espana, S.A.,S.V.
3	July 6, 2006	210,000	Mr. A. B. M. Good	Goldman Sachs Investments (Mauritius) I Ltd. <sup>#</sup>
4	May 9, 1981	3,000	Mr. C. Nagaratnam Mudliar (1,500) and Mr. Shanker Hegde (1,500)	Mr. Ajay Ajit Peter Kerkar
5	December 1, 1981	2,000	Mr. Murty Rajan (1,500) and Mr. P. K. Nagarajan (500)	Mr. Ajay Ajit Peter Kerkar
6	September 21, 1988	5,000	Mr. Ajay Ajit Peter Kerkar	Liz Investments Pvt Ltd
7	May 23, 2006	65,660	Mr. Ajay Ajit Peter Kerkar	Mr. Martin Kneupfer
8	December 19, 2007	262,640	Mr. Martin Kneupfer	Mr. Ajay Ajit Peter Kerkar
9	May 9, 1981	2,000	Mr. G. V. Navre (1,000) and Mr. M. V. Phansalkar (1,000)	Ms. Urrshila Kerkar
10	April 9, 1981	1500	Mr. Uday Chatterjee	Ms. Elizabeth Kerkar
11	November 16, 1981	1500	Ms. Vipla Kadri	Ms. Elizabeth Kerkar
12	December 1, 1981	1500	Mr. S. D. Vaidya	Ms. Elizabeth Kerkar
13	March 5, 1982	1500	Ms. Indira Chatterji	Ms. Elizabeth Kerkar
14	September 21, 1988	5,000	Mr. Ajay Ajit Peter Kerkar & Mr. A. B. Kerkar (3,000) and Mr. Ajay Ajit Peter Kerkar & Ms. Urrshila Kerkar (2,000)	Liz Investments Private Limited
15	December 29, 1988	6,000	Mr. Baburao Kerkar & Ms. Urrshila Kerkar (3,000) and Mr. Baburao Kerkar + Mr. Ajay Ajit Peter Kerkar (3,000)	Liz Investments Private Limited

Trf. No.	Transfer Date	No of Equity Shares	From	To
16	September 3, 1993	27,500	Mr. Tejender Singh (1,000), Mr. R. S. Rathore (1,000), Mr. Gir Raj Singh (500), Ms. Kamlesh Kumari (1,000), Ms. Padma Singh (2,000), Mr. Satyendra Rathore (1,000), Mr. Vijendra Singh (500) and Mr. Maharaj Prithvi Raj (20,500)	Liz Investments Private Limited
17	June 23, 1994	15,000	Liz Investments Private Limited	Piem Holdings Limited
18	March 31, 1997	38,000	Gilbert Trading Private Limited	Liz Investments Private Limited
19	October 25, 1997	2,500	Gilbert Trading Private Limited (2,000) and Perin Rustom Sagar (500)	Liz Investments Private Limited
20	May 27, 2000	8,500	Mr. Bhachandra Khole & Ms. Manisha Khole (500), Mr. Prasun Sengupta (1000), Ms. Nargesh Daruwala jointly with others (5,000) and Ms. M. M. Pancha (2,000),	Liz Investments Private Limited
21	June 17, 2000	3,750	Mr. Jagat Mohan & Ms. Urvashi Jagat Verma (1,500) and Ms. Mehernosh Kapadia (2,250)	Liz Investments Private Limited
22	September 26, 2000	500	Ms. Feroza M. Patel & Mr. Manek Patel	Liz Investments Private Limited
23	January 16, 2007	208,000	Piem Hotels Limited	Liz Investments Private Limited

*#Equity Shares purchased for the purpose of hedging derivative transaction(s) entered into with one or more clients*

As on date of this Red Herring Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions.

#### b. Details of Promoters Contribution Locked in for 3 Years

Pursuant to the Regulation 36(a) of the SEBI Regulations, an aggregate of 20% of the Post-Issue Equity Share capital of our Company shall be locked up by our Promoters for a period of three years from the date of allotment of Equity Shares in this Issue. The details of the Promoters' Equity Shares locked-in for a period of three years are as follows:

Name of the Promoter	Date of Allotment/ Transfer and made Fully Paid-up	Nature of Transaction	No. of Equity Shares	Face Value (in Rs)	Issue/ Transfer Price (in Rs.)	Nature of consideration	% of Pre-Issue paid-up capital	% of Post-Issue paid-up capital
Mr. A. B. M. Good	June 2, 2005	Right Issue *	260,000	10	50	Cash	0.5	0.4
	October 15, 2007	Bonus	2,264,937	10	Nil	Nil	4.8	3.6
		<b>Total (A)</b>	<b>2,524,937</b>				<b>5.3</b>	<b>4.0</b>
Mr. Ajay Ajit Peter Kerkar	December 19, 2007	Transfer 8	262,640	10	158.39	Cash	0.6	0.4
		<b>Total (B)</b>	<b>262,640</b>				<b>0.6</b>	<b>0.4</b>
Ms. Urrshila Kerkar	May 9, 1981	Transfer 9	2,000	10	10	Cash	0.0	0.0
	March 31, 1990	Right Issue	2,000	10	10	Cash	0.0	0.0
	August 1, 1996	Right Issue	2,000	10	50	Cash	0.0	0.0
	November 5, 1998	Right Issue	2,750	10	60	Cash	0.0	0.0
	June 2, 2005	Right Issue	61,200	10	50	Cash	0.1	0.1
	October 15, 2007	Bonus	209,850	10	Nil	Nil	0.4	0.3
	October 15, 2007	Preferential Allotment	2,000,000	10	10	Cash	4.2	3.2
		<b>Total (C)</b>	<b>2,279,800</b>				<b>4.8</b>	<b>3.6</b>

Name of the Promoter	Date of Allotment/ Transfer and made Fully Paid-up	Nature of Transaction	No. of Equity Shares	Face Value (in Rs)	Issue/ Transfer Price (in Rs.)	Nature of consideration	% of Pre-Issue paid-up capital	% of Post-Issue paid-up capital
Ms. Elizabeth Kerkar	April 9, 1981	Transfer 10	1,500	10	10	Cash	0.0	0.0
	November 16, 1981	Transfer 11	1,500	10	10	Cash	0.0	0.0
	December 1, 1981	Transfer 12	1,500	10	10	Cash	0.0	0.0
	March 5, 1982	Transfer 13	1,500	10	10	Cash	0.0	0.0
	March 31, 1990	Right Issue	6,000	10	10	Cash	0.0	0.0
	November 5, 1998	Right Issue	4,000	10	60	Cash	0.0	0.0
	June 2, 2005	Right Issue	143,300	10	50	Cash	0.3	0.2
	October 15, 2007	Bonus	477,900	10	Nil	Nil	1.0	0.7
	<b>Total (D)</b>		<b>637,200</b>				<b>1.3</b>	<b>1.0</b>
Liz Investments Private Limited	September 21, 1988	Transfer 14	5,000	10	10	Cash	0.0	0.0
	December 29, 1988	Transfer 15	6,000	10	10	Cash	0.0	0.0
	March 31, 1990	Right Issue	11,000	10	10	Cash	0.0	0.0
	September 3, 1993	Transfer 16	12,500	10	26	Cash	0.0	0.0
	August 1, 1996	Right Issue	34,250	10	50	Cash	0.1	0.1
	March 31, 1997	Transfer 18	38,000	10	24	Cash	0.1	0.1
	October 25, 1997	Transfer 19	2,500	10	24	Cash	0.0	0.0
	November 5, 1998	Right Issue	36,416	10	60	Cash	0.1	0.1
	May 27, 2000	Transfer 20	8,500	10	82.5	Cash	0.0	0.0
	June 17, 2000	Transfer 21	3,750	10	82.5	Cash	0.0	0.0
	September 26, 2000	Transfer 22	500	10	82.5	Cash	0.0	0.0
	June 2, 2005	Right Issue	1,354,000	10	50	Cash	2.9	2.2
	January 16, 2007	Transfer 23	208,000	10	800	Cash	0.4	0.3
	October 15, 2007	Bonus	5,161,248	10	10	Cash	10.9	8.2
	<b>Total (E)</b>		<b>6,881,664</b>				<b>14.5</b>	<b>10.9</b>
	<b>Total (A+B+C+D+E)</b>		<b>12,586,241</b>				<b>26.5</b>	<b>20.0</b>

The above Equity Shares are eligible for computation of Promoter's contribution and lock-in in terms of Regulation 33 (1) of the SEBI Regulations as discussed below:

Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters under the SEBI Regulations. Our Promoter has given their written consent for inclusion of the aforesaid Equity Shares as a part of Promoter's contribution which is subject to lock-in for a period of 3 years from the date of Allotment of Equity Shares in the proposed Issue.

We further confirm that the minimum Promoter contribution of 20% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.

- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum promoters' contribution subject to lock-in.

**c. Details of Shares locked-in for one year:**

Pursuant to Regulation 37 of the SEBI Regulations, in addition to the Promoters' contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue issue Equity Share capital, less the number of shares for which transfer is made under the Offer for Sale, will be locked in for a period of one (1) year from the date of allotment in this Issue.

The share certificates which are in physical form for locked-in Equity Shares will carry an inscription "non-transferable" along with the duration of specified non – transferable period mentioned on the face of the share certificate as per Regulation 35(2) of the SEBI Regulations.

- d.** Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided that the pledge of shares is one of the terms of sanction of such loan. Further, the Equity Shares which have been locked-in for a period of three years as minimum Promoter's contribution can be pledged with banks or financial institutions only if, in addition to fulfilling the aforesaid requirements, the loan (for which the Equity Shares are pledged) is towards financing one or more objects of this Issue. However, as on date of this Red Herring Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions.
- e.** Pursuant to Regulation 40 of the SEBI Regulations, Equity Shares held by the Promoters, which are locked in as per Regulation 36 of the SEBI Regulations, may be transferred to and amongst the Promoters/ Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as applicable

Pursuant to Regulation 40 of the SEBI Regulations, Equity Shares held by shareholders other than the Promoters, which are locked-in as per Regulation 37 of the SEBI Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as applicable.

**Our Shareholding Pattern:**

Set forth below is the shareholding pattern of our Company before and after the proposed Issue:

Name of Shareholder	Pre-Issue		Post-Issue	
	No. of Equity Shares	% age Holding	No. of Equity Shares	% age Holding
<b>Promoters</b>				
Mr. A. B. M. Good	3,019,916	6.4	3,019,916	4.8
Mr. Ajay Ajit Peter Kerkar	1,372,336	2.9	1,372,336	2.2
Ms. Urrshila Kerkar	2,279,800	4.8	2,279,800	3.6
Ms. Elizabeth Kerkar	637,200	1.3	637,200	1.0
Liz Investments Private Limited	6,881,664	14.5	6,881,664	10.9
<b>Total (A)</b>	<b>14,190,916</b>	<b>29.9</b>	<b>14,190,916</b>	<b>22.6</b>
<b>Promoter Group</b>				
Sneh Sadan Graphic Services Private Limited	16,676,684	35.1	16,676,684	26.5
Kubber Investment (Mauritius) Private Limited	9,173,280	19.3	9,173,280	14.6

Name of Shareholder	Pre-Issue		Post-Issue	
	No. of Equity Shares	% age Holding	No. of Equity Shares	% age Holding
<b>Total (B)</b>	<b>25,849,964</b>	<b>54.5</b>	<b>25,849,964</b>	<b>41.1</b>
<b>Total Promoter Group Holding: (A) + (B)</b>	<b>40,040,880</b>	<b>84.3</b>	<b>40,040,880</b>	<b>63.6</b>
<b>Non-Promoters</b>				
<b>Directors and Employees</b>				
Mr. Pesi Patel	84,000	0.2	[●]	[●]
Eligible Employee	-	-	[●]	[●]
<b>Total (C)</b>	<b>84,000</b>	<b>0.2</b>	<b>[●]</b>	<b>[●]</b>
<b>Others</b>				
Ms. Vanaja Rajan	164,900	0.3	[●]	[●]
Mr. Matsui Yoshizumi	24,952	0.1	[●]	[●]
Ms. Matsui Chieko	180,472	0.4	[●]	[●]
Fullmoon Creative Services Private Limited	136,000	0.3	[●]	[●]
Girdhar Morari Agro Research Private Limited	184,450	0.4	[●]	[●]
Aparajita Mercantile Private Limited	50,000	0.1	[●]	[●]
Lehman Brothers Opportunity Limited	1,847,288	3.9	[●]	2.9
Deutsche Securities Mauritius Limited	1,836,000	3.9	[●]	2.9
Merrill Lynch Capital Markets Espana, S.A.S.V.	1,496,000	3.2	[●]	2.4
Goldman Sachs Investments (Mauritius) I Ltd. <sup>#</sup>	1,428,000	3.0	[●]	[●]
<b>Total (D)</b>	<b>7,348,062</b>	<b>15.5</b>	<b>[●]</b>	<b>[●]</b>
<b>Public (E)</b>	[●]	[●]	[●]	[●]
<b>Total (A+B+C+D+E)</b>	<b>47,472,942</b>	<b>100.0</b>	<b>62,922,942</b>	<b>100</b>

<sup>#</sup>Equity Shares purchased for the purpose of hedging derivative transactions entered into with one or more clients

#### 4. The top ten shareholders of our Company and their shareholding is as set forth below:

- a. The top ten shareholders of our Company as on date and ten days prior to the date of this Red Herring Prospectus\*:

Sr. No	Name of the Shareholder	No. of Equity Shares	Shareholding (%)
1	Sneh Sadan Graphic Services Private Limited	16,676,684	35.1
2	Kubber Investment (Mauritius) Private Limited	9,173,280	19.3
3	Liz Investments Private Limited	6,881,664	14.5
4	Mr. A. B. M. Good	3,019,916	6.4
5	Ms. Urrshila Kerkar	2,279,800	4.8
6	Lehman Brothers Opportunity Limited	1,847,288	3.9
7	Deutsche Securities Mauritius Limited	1,836,000	3.9
8	Merrill Lynch Capital Markets Espana, S.A.,S.V.	1,496,000	3.2
9	Goldman Sachs Investments (Mauritius) I Ltd. <sup>#</sup>	1,428,000	3.0
10	Mr. Ajay Ajit Peter Kerkar	1,372,336	2.9
	<b>Total</b>	<b>46,010,968</b>	<b>96.9</b>

\*Our Company had only 18 members on the aforesaid date

<sup>#</sup>Equity Shares purchased for the purpose of hedging derivative transactions entered into with one or more clients

- b. The top ten shareholders of our Company two (2) years prior to date of this Red Herring Prospectus\*:

Sr. No	Name of the Shareholder	No. of Equity Shares	Shareholding (%)
1	Kubber Investments (Mauritius) Private Limited	7,000,000	25.1
2	Liz Investments Private Limited	6,881,664	24.6

3	Raima Business Inc	3,259,920	11.7
4	Mr. A. B. M. Good	3,019,916	10.8
5	Ms. Urrshila Kerkar	2,279,800	8.2
6	Mr. Ajay Ajit Peter Kerkar	1,109,696	4.0
7	Deutsche Securities Mauritius Limited	1,080,000	3.9
8	Merrill Lynch Capital Markets Espana, S.A., S.V.	880,000	3.2
9	Goldman Sachs Investments (Mauritius) I Ltd.#	840,000	3.0
10	Ms. Elizabeth Kerkar	637,200	2.3
	<b>Total</b>	<b>26,988,196</b>	<b>96.6</b>

\*Our Company had only 17 members on the aforesaid date;

#Equity Shares purchased for the purpose of hedging derivative transactions entered into with one or more clients

- In the year 1980, Cox and Kings (India) Limited, acquired the business of Cox & Kings (Agents) Limited which was approved by the RBI vide its letter dated May 14, 1980. Subsequently on June 03, 1980, 57,000 Equity Shares were issued for cash and 38,500 Equity Shares were issued for consideration other than cash.
- Save and except as disclosed below, our Company has not issued Equity Shares at a price which may be less than the Issue Price during the last one year:

Date of Allotment of fully Paid-up Shares	Number of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Allot-ment	Nature of Consideration
July 23, 2009	19,547,682	10	10	Right Issue in the ratio of 7:10	Cash

Following members were allotted equity shares of our Company pursuant to above:

Sr. No.	Name of the Shareholder	Category	No. of Equity Shares	Pre-Issue Shareholding (%)
1.	Sneh Sadan Graphic Services Private Ltd	Promoter Group	16,627,184	35.0
2.	Lehman Brothers Opportunity Limited	Public	760,648	1.6
3.	Deutsche Securities Mauritius Ltd	Public	756,000	1.6
4.	Merrill Lynch Capital Markets Espana S.A. ,S.V.	Public	616,000	1.3
5.	Goldman Sachs Investments (Mauritius) I Ltd.#	Public	588,000	1.2
6.	Girdhar Morari Agro Research Private Limited	Public	75,950	0.2
7.	Ms. Vanaja Rajan	Public	67,900	0.1

#Equity Shares purchased for the purpose of hedging derivative transactions entered into with one or more clients

- Save and except as disclosed below, none of our Promoters, Promoter Group, Directors or Key Managerial Personnel holds any of our Equity Shares as on date of this Red Herring prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Pre-Issue Shareholding (%)
1.	Mr. A. B. M. Good	3,019,916	6.4
2.	Mr. Ajay Ajit Peter Kerkar	1,372,336	2.9
3.	Ms. Urrshila Kerkar	2,279,800	4.8
4.	Ms. Elizabeth Kerkar	637,200	1.3
5.	Liz Investments Private Limited	6,881,664	14.5
6.	Kubber Investment (Mauritius) Private Limited	9,173,280	19.3
7.	Sneh Sadan Graphic Services Private Limited	16,676,684	35.1
8.	Mr. Pesi Patel	84,000	0.2

- Save and except as disclosed below our Promoters, Directors and our Promoter Group have not purchased or sold any Equity Shares within the last six months preceding the date of this Red Herring Prospectus.

Sr. No.	Date of Acquisition or Transfer	Name of the Shareholder	No. of Equity Shares	Pre-Issue Shareholding (%)
1.	July 23, 2009	Sneh Sadan Graphic Services Private Ltd	16,627,184	35.0

9. Save and except as mentioned below, our Promoters have not been allotted Equity Shares for consideration other than cash.

Sr. No.	Date of Acquisition or Transfer	Name of the Shareholder	No. of Equity Shares	Pre-Issue Shareholding (%)
1.	September 1, 2007	Mr. A. B. M. Good	494,979	1.04

10. The Company, its Directors, Promoters, the directors of its corporate Promoter and the BRLM have not entered into any buy-back and/or standby or similar arrangements for the purchase of Equity Shares from any person.
11. Our Company on October 15, 2007, issued bonus shares to its eligible members in the ratio of three Equity Shares for every one Equity Shares held by members and such new shares were fully paid and ranked *pari passu* with the existing Equity Shares. A total of 19,443,945 Equity Shares have been issued as bonus. The face value of each of these Equity Shares was of Rs.10/- each. This bonus issue was authorized *vide* resolution passed on October 15, 2007.
12. Our Company has not raised any bridge loans against the proceeds of the Issue.
13. This Issue is being made through 100% Book Building process wherein up to 50% of the Net Issue i.e., 9,148,320 Equity Shares shall be allotted on a proportionate basis to QIBs, out of which 5%, i.e., 457,416 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only. The remaining QIB portion shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue, i.e., 2,744,496 Equity Shares shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue, i.e., 6,403,824 Equity Shares shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, up to 200,000 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price.
14. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Retail/ Non Institution Portion in equal proportion. Under-subscription, if any, in the Non-Institutional or Retail categories shall be allowed to be met with spill over from other categories or combination of categories by our Company and the BRLM in consultation with the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price.
15. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion, on a competitive basis. The Bid/Application by Eligible Employees can also be made in the “Net Issue” and such Bids shall not be treated as multiple Bids.
16. The Selling Shareholders are holding their respective Equity Shares offered under the Offer for Sale for a period of more than one year on the date of this Red Herring Prospectus.
17. The share certificate for Equity Share in physical form, which is subject to lock-in, shall carry the inscription ‘non-transferable’ and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the stock exchanges, where the Equity Shares are to be listed, prior to listing. As an unlisted company some of the equity shares issued by us in the past were in physical form. However, as on date of this RHP, all the existing shares has been dematerialized except for 7.72% of the Pre-Issue share capital held by six of our individual shareholders.”
18. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment being equal to 20 Equity Shares, which is the minimum application size in this Issue.



Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

19. Our Company does not intend to allot any Equity Shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when options are granted to our employees under any ESOS, our Company shall comply with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999.
20. As on the date of this Red Herring Prospectus, there were no outstanding Stock Options pursuant to ESOP scheme 2000. The entire options had been exercised and converted into Equity Shares in FY 2000-2001. Following Employees were issued shares during the scheme:

Name of the Employee	Number of Equity Shares
Mr. Rakesh Kumar	5,000
Mr. A. Ramesh	4,000
Mr. Subhash Wagle	4,000
Mr. M. S. Pikle	5,000
Mr. Arup Sen	5,000
Mr. T. B. Billimoria	5,000
Mr. Yusuf Poonawala	4,000
Mr. Kshitij Prasad	4,000
Mr. Cyrus Sarkar	4,000

21. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.
22. There shall be only one denomination of our Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
23. Our Promoters, members of the Promoter Group and the Selling Shareholders will not participate in this Issue.
24. Our Company has not made any public issue since incorporation.
25. Our Company has not revalued its assets since incorporation.
26. Our Company has not issued any Equity Shares out of revaluation reserves.
27. Save and except as mentioned below, our Company has not issued any Equity Shares for consideration other than cash:

Sr. No.	Date of Allotment of fully Paid-up Shares	Particulars	No. of Equity Shares
1.	October 27, 1980	Transfer of the Indian business of Cox & Kings (Agents) Limited	38,500
2.	June 20, 2003	Equity shares were issued to Tulip Star Hotels Limited as part consideration towards acquiring their Forex Division	60,000
3.	September 1, 2007	Acquisition of controlling stakes in Cox & Kings Limited, U.K and Cox & Kings (Japan) Limited	1,041,315

28. Save and except as disclosed in this Red Herring Prospectus, there would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Red Herring Prospectus to SEBI until the Equity Shares issued/ to be issued pursuant to the Issue have been listed.

29. Save and except as disclosed in this Red Herring Prospectus, we presently do not intend or propose to alter our capital structure for a period of six months from listing of our Equity Shares on the Stock Exchanges, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise except that if we enter into acquisition(s) or joint venture(s), we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
30. The average cost of acquisition per Equity Shares allotted to our Promoters is as follows:

<b>Sr. No.</b>	<b>Name of the Promoter</b>	<b>Average Cost of Acquisition</b>
1.	Mr. A. B. M. Good	Rs.68.88
2.	Mr. Ajay Ajit Peter Kerkar	Rs.40.43
3.	Ms. Urrshila Kerkar	Rs.10.30
4.	Ms. Elizabeth Kerkar	Rs.11.81
5.	Liz Investments Private Limited	Rs.34.97

The average cost of acquisition of Equity Shares by our Promoters has been computed by taking the weighted average cost.

31. Since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up shares.
32. As per the RBI regulations, OCBs are not permitted to participate in the Issue.
33. As on the date of this Red Herring Prospectus, there are no outstanding warrants, options or debentures or other financial instruments issued by our Company, which would entitle our Promoter or shareholders of our Company or any other person an option to receive Equity Shares of our Company. Further, there are no loans which are convertible into Equity Shares of our Company.
34. The locked in Equity Shares of promoters as a part of minimum promoters' contribution are not pledged to any party. The locked-in Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of such loan and such loan is towards financing one or more objects of the issue.
35. Save and except as disclosed in this Red Herring Prospectus, there are no outstanding financial instruments or any rights, which would entitle the Promoters or the shareholders or any other person any option to acquire any of our Equity Shares.
36. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
37. As on the date of this Red Herring Prospectus, we have 18 members holding equity shares in our Company.

## OBJECTS OF THE ISSUE

As part of our growth strategy we want to increase our presence and reach in India and overseas by pursuing organic and inorganic growth with effective and efficient utilisation of the resources available to us.

The Objects of the Fresh Issue are to provide funding for the following:

1. Repayment of Loans
2. Acquisitions & Other Strategic Initiatives
3. Investment in Overseas Subsidiaries
4. Investment in Corporate Office & Upgrading our existing Operations
5. General Corporate Purposes
6. Meeting Fresh Issue related Expenses

Our Company believes that listing will enhance our Company's brand name further and create a public market for its Equity Shares in India. The 'Main Objects' Clause of the Memorandum of Association of our Company enables us to undertake existing activities as well as the activities for which the funds are being raised through this Fresh Issue.

*The Issue consists of a Fresh Issue of 15,450,000 Equity Shares and an Offer for Sale of 3,046,640 Equity Shares by the Selling Shareholders. We will not receive any proceeds from the Offer for Sale. Expenses related to the Issue will be borne by us except for the underwriting fees, management fees and selling commissions which will be borne by the Company and the Selling Shareholders proportionate to the Equity Shares offered by them.*

### Requirement of Funds

The details of the utilization of proceeds of this Fresh Issue are as per the table set forth below:

*(Amount in Rupees Million)*

Sr. No.	Particulars	Fund Requirement	Estimated Schedule of Deployment of Funds in Fiscal 2010
1	Repayment of Loans	1,296	1,296
2	Acquisitions & Other Strategic Initiatives	1,500	1,500
3	Investment in Overseas Subsidiaries	625	625
4	Investment in Corporate Office & Upgrading our existing Operations	600	600
5	General Corporate Purposes*	[•]	[•]
6	Meeting Fresh Issue related Expenses*	[•]	[•]
<b>Total</b>		[•]	[•]

*\*will be incorporated at the time of filing of Prospectus*

We intend to utilize the proceeds of the Fresh Issue, after deducting all Fresh Issue related expenses ("net proceeds"), estimated at Rs. [•] million for the aforementioned objects.

The aforementioned fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below.

### Means of Finance

The aforementioned fund requirement will be met entirely from the proceeds of this Fresh Issue. In case of shortfall, if any, we may explore other sources of funds including internal accruals arising from our future operations and/or debt. Since the entire fund requirement will be met entirely from the proceeds of this Fresh Issue, there is no requirement for any other firm arrangements of finance.

In case of any variations in the actual utilization of funds earmarked for the objects mentioned above or in case of increased fund requirements for a particular object, the shortfall, if any, may be financed by surplus funds, if any, available for other objects and/or our Company's internal accruals and/or working capital loans that may be availed from the banks/financial

institutions and/or reduce the repayment of loans, to the extent of such shortfall. Any surplus from the proceeds of the Fresh Issue after meeting the objects mentioned above, if any, will be used for our general corporate purposes.

We operate in a highly competitive, dynamic market environment, and may have to revise our estimates from time to time on account of new initiatives that we may pursue including any potential acquisition opportunities. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, at the discretion of our management / Board. Our capital expenditure plans are subject to a number of variables, including possible cost overruns; construction/development delays or defects; and changes in management's views of the desirability of current plans, among others.

The aforementioned objects of this Fresh Issue are proposed to be entirely financed by the Fresh Issue proceeds. Thus we are in compliance with the Regulation 4(2) (g) of the SEBI Regulations 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 Fresh Issue, as the same does not apply to us.

## Details of Objects of the Fresh Issue

### 1. Repayment of Loans

We have entered into financing arrangements with some banks/ financial institutions and other lenders. As on September 30, 2009, the outstanding debt due is Rs.2,913.14 million, the details of which is given under chapter 'Financial Indebtedness' on page 239 of this Red Herring Prospectus. We have the right to prepay these amounts under the terms of these loan agreements.

We intend to utilise up to Rs.1,296 million from the proceeds of the Fresh Issue towards repayment in any combination of the below mentioned loans either in full or in part:

- a. Name of the Lender:** LIC Mutual Fund  
**Amount of Loan:** Rs.1,250 Mn.  
**Nature of Instrument:** Redeemable and Non-Convertible Debentures  
**Interest Payment:** Payable on Maturity (for details on rate of interest refer the table below)  
**Purpose of Loan:** Working Capital

No. of Debentures (FV of Rs.100/-)	Amount (Rs. Mn)	Date of Allotment	Date of Maturity	Period	Particulars of Interest
2,000,000	200	8th Oct 2009	7th Oct 2010	364 days	7.25% p.a.
2,500,000	250	19th May 2009	13th Nov 2009	178 days	7.5% p.a.
1,000,000	100	30th Jan 2009	29th Jan 2010	364 days	MIBOR +800 basis point with floor of 10.95% p.a. and cap of 11% p.a.
2,500,000	250	2nd Feb 2009	29th Jan 2010	361 days	MIBOR +800 basis point with floor of 10.95% p.a. and cap of 11% p.a.
2,000,000	200	20th Apr 2009	19th Apr 2010	364 days	MIBOR +800 basis point with floor of 8.95% p.a. and cap of 9% p.a.
1,800,000	180	4th Jun 2009	2nd Jun 2010	363 days	MIBOR +700 basis point with floor of 7.90% p.a. and cap of 8% p.a.
700,000	70	3rd Jul 2009	2nd Jul 2010	364 days	MIBOR +700 Basis Point with floor of 7.70% p.a. and cap of 7.75% p.a.
<b>Total</b>	<b>1,250</b>				

*Note: All of the above Debentures are secured through Personal Guarantee of Mr.Ajay Ajit Peter Kerkar and Post Dated Cheques for Principal and Interest.*

- b. Name of the Lender:** State Bank of Patiala  
**Amount of Loan Sanctioned:** Rs.200 Mn  
**Amount of Loan Outstanding:** Rs.44.06 (As on September 30, 2009)  
**Nature of Instrument:** Term Loan  
**Date of Sanction:** February 13, 2006  
**Loan Repayment:** Payable in monthly / quarterly instalments\*  
**Rate of Interest & Payment:** 1% below BPLR @9.50% p.a. (min.) floating with monthly rests

**Purpose of Loan:**

repayment of existing loans, working capital, etc.

**Security:**

Secured (against primary security of the properties of the company, etc.)

\*Monthly Instalment of Rs.1.67 Mn payable till March 2011 and Quarterly Instalment of Rs.4.2Mn payable till April 2010

Of the above, we have 20 monthly instalments of Rs.1.67 Mn amounting to Rs.33.4 Mn and 3 quarterly instalments of Rs.4.2 Mn amounting to Rs.12.6 Mn payable towards outstanding principal amount of our loans. These aggregates to a total payment of Rs.46 Mn towards this Term Loan from State Bank of Patiala, which we intend to repay from the proceeds of this Fresh Issue.

We may repay the above loans when due, before we obtain proceeds from the fresh Issue, through other means and source of financing, including bridge loan or other financial arrangements, which then will be repaid from the proceeds of the fresh issue. We believe our repayment of interest bearing debt will help us to reduce our costs towards 'Interest and Finance Charges' and will improve our net earnings in the future. Further, it will help us to improve our ability to leverage equity for our future needs towards any of our existing operations and towards newer opportunities that we may identify or may come across.

## 2. *Acquisitions and Other Strategic Initiatives*

We have made a few acquisitions in the recent past to spread our global reach. We seek to further enhance our position in the Travel and Tours industry.

In pursuit of which we continuously evaluate inorganic opportunities based on several factors including the following:

- for foray into certain geographies / access newer markets with potential to enhance our global positioning,
- to consolidate our sourcing for cost savings,
- augment our service offerings

Towards this end, we propose to target companies that

- offer strong strategic fit to our existing business(es),
- have expertise in the domain we operate in
- have a good client base
- has strong management team.

We typically enter into non-binding letters of intent once the potential target company has been identified, evaluate the risks associated with such an acquisition and then either enter into a binding agreement with the target company or terminate the non-binding letter of intent. As of the date of this Red Herring Prospectus, we have already appointed a financial advisor, have identified potential targets, are in the process of evaluating options are in negotiations with them. However, we have not yet entered into any definitive/contractual commitment for any acquisition, investment or joint venture.

We continuously monitor the global travel and tourism environment, to identify strategic opportunities that would fit with our business. Recently, we entered into the business of visa processing services and luxury train based tourism, both of which have strong growth potential for us. We intend to continue identifying similar strategic initiatives which will require additional resources towards acquiring such business(es), investing in the related infrastructure and human resources.

We, thus, intend to utilise Rs.1,500 million from the proceeds of the Fresh Issue towards such acquisitions and strategic initiatives. The above amount is based on the management's current estimates of the amounts to be utilised towards these objects considering the specifics of our recent acquisitions in Australia and the US and the nature of strategic initiatives being taken by us viz., of visa processing services and luxury train based tourism. The actual deployment of funds would, of course, depend on a number of factors, including the timing of acquisitions, number of acquisitions, the size of the target companies and the nature of strategic initiative. These factors will also determine the form of investement for these acquisition(s) / strategic initiatives, i.e. whether equity, debt or any other instrument, which, as on the date of this Red Herring Prospectus, has not been decided. The proceeds allocated towards acquisition may not be the total value of the acquisition or cost toward strategic initiative, but may provide us with leverage to enter into binding agreements.

In the event that there is a shortfall of funds required for such acquisitions and / or strategic initiatives then, such shortfall shall be met out of the amounts allocated for general corporate purposes and/or through internal accruals. In case the shortfall cannot be met through internal accruals or out of the amounts allocated for general corporate purposes then we shall borrow from the domestic/international market and, if required, the promoters may, at their sole discretion, provide such credit enhancement to the lenders as may be mutually agreed with the lenders. In the event that there is a surplus, such amounts shall be utilised towards other objects or general corporate purposes.

The details of these subsidiaries and branch are provided in the chapter titled ‘History and Other Corporate Matters’ beginning on page 104 of this Red Herring Prospectus.

### 3. Investment in Overseas Subsidiaries

We have overseas subsidiaries at United Kingdom, Japan, Dubai and Singapore, besides others. The details of these subsidiaries are provided in the chapter titled ‘History and Other Corporate Matters’ beginning on page 104 of this Red Herring Prospectus.

We propose to invest Rs.625 million in these subsidiaries. These subsidiaries intend to utilise the funds for their working capital needs and capital expenditure. The details of utilization of funds are as under:

Sr. No	Name of the Subsidiary	Purpose	Amount ( in Rupees Million)
1.	Quoppro Global Services Pvt. Ltd.	Capital Expenditure	150
		Working Capital	100
2.	Clearmine Limited	Working Capital Advances	100
3.	Cox & Kings Tours LLC	Working Capital Advances	100
4.	Cox and Kings Singapore Pvt. Limited	Working Capital Advances	50
5.	Cox & Kings (Japan) Limited	Working Capital Advances	75
6.	Cox & Kings Limited	Working Capital Advances	50
<b>Total</b>			<b>625</b>

Quoppro Global Services Private Limited was acquired last year for us to enter into the business of visa processing, and subsequent to this acquisition we have been approved by the diplomatic mission of India in Singapore and have obtained in-principle approvals from the diplomatic missions of India in Greece and Hong Kong for outsourcing their visa processing activities to us. We would, thus, require investing in setting up these centres, software technology and other establishment expenses. We estimate Rs.150 million towards such capital expenditures and Rs.100 million towards the working capital needs of these centres. We will invest in these subsidiaries in the form of advances for the above purposes.

We provide destination management services from our overseas subsidiaries in UK, Dubai and Singapore. The ground handling arrangements by these subsidiaries require them to pre-book suppliers and with increasing operations we have estimated the working capital requirements of Rs.100 million for ETN Services Ltd. (through its holding company Clearmine Limited), Rs.100 million for Cox & Kings Tours LLC and Rs.50 million for Cox and Kings Singapore Pvt. Limited to be funded through the proceeds of this Fresh Issue. With increasing operations in Japan and UK, we would require Rs.75 million and Rs.50 million respectively towards working capital needs of our subsidiaries.

#### - Quoppro Global Services Pvt. Ltd.

Expenditure Heads	Amount (in Rs. Mn.)
<b>Capital Expenditures:</b>	
Office Equipments & Furniture & Fixtures	45
Security Devices	5
Software Technology	50
Hardware & Servers	50
<b>Sub Total</b>	<b>150</b>
<b>Working Capital Advances towards Expenses:</b>	
Other Establishment Expenses	100

(Expenses during setup of operating units at various diplomatic missions)	
<b>Sub Total</b>	<b>100</b>
<b>Total</b>	<b>250</b>

- **Clearmine Limited**

ETN Services Limited is a wholly owned subsidiary of Clearmine Limited. ETN Services Limited is a Inbound Travel Wholesaler in Europe. ETN Services Ltd will need working capital in the form of advances with suppliers towards their ground handling services to the extent of Rs.100 Mn.

- **Cox & Kings Tours LLC**

Cox & Kings Tours LLC is based in Dubai with objective to tap UAE's outbound leisure market as well as MICE (Meetings, Incentives, Conferences and Exhibitions) and Inbound Travel Operations. Cox & Kings Tours LLC will need working capital in the form of advances for booking suppliers to the extent of Rs. 100 Mn.

- **Cox and Kings Singapore Pvt. Limited**

- Last year, we formed a wholly owned subsidiary under Cox and Kings Singapore Pvt. Limited (formely 'CNK Internet Pte Limited') in the name of Quoprro Global Services Pte Limited, located in Singapore. This Company has won mandate to start Visa and passport services for the Indian High Commission in Singapore. Cox and Kings Singapore Pvt. Limited will need working capital support to the extent of Rs.50 Mn for meeting its operational expenses for these services.

- **Cox & Kings (Japan) Limited**

Cox & Kings (Japan) Limited has a tour operator class license obtained from the Overseas Tour Operators Association of Japan as a regular member. This license enables Cox & Kings (Japan) Limited to sell travel consultancy to wholesalers in Japan. With increase in operations for Cox & Kings (Japan) Limited there would be increase in business with more wholesalers , thereby entailing higher working capital deployment as credit to such wholesalers to the extent of Rs.75 Mn.

- **Cox & Kings Limited**

Cox & Kings Travel Limited is a wholly owned subsidiary of Cox & Kings Limited. Cox & Kings Travel Limited is a outbound specialist tour operator. Due to the new and specialized travel programs launched by Cox & Kings Travel Limited, they will need working capital to place advances with suppliers to the extent of Rs. 50 Mn.

**4. Investment in Corporate Office & Upgrading our existing Operations**

All our offices in India are leased including our registered office in Mumbai and from where we control all our businesses. As of now within Mumbai we have multiple offices for our customer service, relationship management, corporate sales, back office operations, accounts and administration, research and technology, etc. We propose to set up a new centralised office to consolidate all these offices into one single location. We will integrate our front and back offices under one roof for better administrative control and significant cost savings on account of shared resources and lease charges paid by us. This will also help us to deliver our products and services more efficiently resulting in better customer satisfaction

We have short listed certain office premises in Mumbai for outright purchase. We would be closing the commercial negotiations and completing the formalities for the purchase of these properties after completion of the Issue. The total cost of setting up a centralised office in Mumbai including the cost of property, cost of furniture and fixtures and the overall infrastructure related costs are estimated at Rs.500 million, the break-up of which is as given below:

<b>Particulars</b>	<b>Amount ( in Rupees Million)</b>
Cost of the Property	450
Furniture and Fixtures	25

Particulars	Amount ( in Rupees Million)
Infrastructure related costs	25
<b>Total</b>	<b>500</b>

Our office in Delhi serves as an inbound hub for us and we intend to expand and upgrade our existing operations there by hiring more space and improving the office infrastructure. The cost towards rent deposit, furniture and fixtures, computer systems, technology and other establishment related expenses is estimated at Rs.100 million, the break-up whereof is as under:

Particulars	Amount ( in Rupees Million)
Rent Deposits	20
Furniture and Fixtures , Office Equipment, Computers, Telecom & Others	80
<b>Total</b>	<b>100</b>

We have estimated the cost involved in setting up our Corporate Office based on the quotations obtained through a property consultant,

#### 5. General Corporate Purposes

We intend to deploy the balance Fresh Issue proceeds aggregating Rs. [●] Million, towards the general corporate purposes to drive our business growth. This would be mainly used for advance payments/deposits to our suppliers for flight bookings, hotel bookings, etc., to the extent of 80% of this amount and the rest 20% will be used for strengthening our marketing capabilities and brand enhancement. Besides, as far as our long term working capital requirements are concerned, we have availed cash credit facilities and working capital loans to meet these requirements.

#### 6. Meeting Fresh Issue related Expenses

The Issue related expenses includes, among others, lead management fees, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar & depositories expenses, SCSB's commission/ fees, fees & expenses of the SEBI registered rating agency for IPO grading and listing fees. The total expenses of the Fresh Issue shall be made out of the proceeds of this Fresh Issue and is estimated to be approximately Rs. [●] million. The break- up of the estimated expenses of the Issue is as follows:

Activity	Expense (Rs. in Millions)	Amount (in Rupees Million)	
		As a % of Total Issue Expenses <sup>S</sup>	As a % of Total Issue Size <sup>S</sup>
Issue Management Fees (Lead management, underwriting and selling commission)	[●] <sup>*</sup>	[●]	[●]
Advertisement & Marketing expenses	[●] <sup>S</sup>	[●]	[●]
Printing, Stationery & Distribution Expenses	[●] <sup>S</sup>	[●]	[●]
Regulatory Fees (including Listing Fees and fees payable to SEBI & Stock Exchanges)	[●] <sup>S</sup>	[●]	[●]
SCSB's commission	[●] <sup>S</sup>	[●]	[●]
IPO Grading Expenses	[●] <sup>S</sup>	[●]	[●]
Others (Legal Advisor Fees, Auditors' Fee, Registrar's Fee, etc.)	[●] <sup>S</sup>	[●]	[●]
<b>Total estimated Issue expenses</b>	[●]	[●]	[●]

<sup>\*</sup> will be completed at the time of filing of the Red Herring Prospectus; <sup>S</sup> will be completed after finalisation of the Issue price

Pursuant to Regulation 26(7) of the SEBI Regulations our Company needs to obtain grading for this IPO from at least one credit rating agency. In this regard we have appointed Credit Analysis & Research Limited ('CARE'). The total expenses for IPO Grading are estimated to be Rs. [●] million, which is [●] % of the Issue size.



*All expenses related to the Issue, including listing fees will be borne entirely by the Company except for the underwriting fees, management fees and selling commissions which will be borne by the Company and the Selling Shareholders proportionate to the Equity Shares offered by them.*

### **Funds Deployed**

As on the date of this Red Herring Prospectus, we have incurred Rs. 40.00 Million upto September 30, 2009 towards objects of the issue which has been certified by Mr. Amit Chaturvedi (Membership No.: 103141) on behalf of Chaturvedi & Shah, Chartered Accountants, our Statutory Auditors, vide their certificate dated October 26, 2009. Out of the total, Rs. 2.92 Mn is towards repayment of term loan with State Bank of Patiala and the balance is towards issue related expenses. The same has been financed through internal accruals and the amount has been spent towards public issue expenses. We may make payments toward our Objects of the Issue, before we obtain proceeds from the fresh Issue, through other means and source of financing, including bridge loan or other financial arrangements, which then will be repaid from the proceeds of the fresh issue.

We have not received any funds from the promoters by way of promoter's contribution which have been deployed by us prior to the Issue

### **Appraisal**

There is no project execution from the proceeds of the Fresh Issue and hence no appraisal is done by any banks or financial institutions or appraising agency.

### **Interim Use of Proceeds**

Pending utilization of the Fresh Issue proceeds for the 'Objects of the Issue', we intend to temporarily invest the Fresh Issue proceeds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, for necessary duration as permitted under the SEBI Regulations or we may temporarily utilize the proceeds for reducing our outstanding overdrafts. Such investments and other utilizations would be in accordance with investment policies approved by our Board or any committee thereof duly empowered, from time to time.

### **Monitoring of Utilisation of Funds**

The Company has appointed State Bank of India ("SBI") as the Monitoring Agency in relation to the Issue. The Monitoring Agency will monitor the utilization of Issue proceeds and submit report to the Company in terms of Regulation 16(2) of SEBI Regulations, if the Fresh Issue exceeds Rs 5,000 Mn. In case the Fresh Issue is less than Rs, 5,000 Mn, then the monitoring of the Issue Proceeds by the Monitoring Agency will not arise in terms of Regulation 16(1) of SEBI Regulation and accordingly the monitoring agency will not have any obligations to discharge.

The Board and SBI will monitor the utilization of the proceeds of the Fresh Issue. No part of the proceeds of this Fresh Issue will be paid by us as consideration to our Promoters, our Directors, Promoter Group Companies or Key Management Personnel, except in the usual course of business. We will disclose the details of the utilisation of the proceeds, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges.

Furthermore, pursuant to clause 49 of the Listing Agreement, we shall disclose to the Audit Committee, the uses and application of funds under the heads as specified above, on a quarterly basis as a part of the quarterly declaration of financial results. Further, on an annual basis, the Company shall prepare a statement of funds utilized for purposes other than those stated in the Prospectus, if any, and place it before the Audit Committee. Such disclosure shall be made only till such time that the full money raised through this Fresh Issue has not been fully spent. This statement shall be certified by the statutory auditors of the Company. The Audit Committee shall make appropriate recommendations to the Board to take up steps in this matter. In addition, the report submitted by the monitoring agency will be placed before the Audit Committee of the Company, so as to enable the Audit Committee to make appropriate recommendations to the Board of Directors of the Company. Our Company shall inform material deviations in the utilisation of Fresh Issue proceeds to the stock exchanges and shall also simultaneously make the material deviations/adverse comments of the Audit Committee public through advertisement in newspapers.

## BASIS FOR ISSUE PRICE

*Investors should read the following summary along with the sections titled ‘Risk Factors’ and ‘Financial Statements’ beginning on pages xv and 171 of this Red Herring Prospectus respectively, to get a more informed view before making the investment decision. The trading price of the Equity Shares of our Company could decline due to these risks and you may lose all or part of your investments.*

### Qualitative Factors:

- *Brand Equity*
- *Management Team*
- *Product Spectrum*
- *Global Presence & Reach*
- *Skilled & Quality Staff*
- *Technology Infrastructure*

For detailed discussion on the qualitative factors which form the basis for computing the price, please refer the chapter titled ‘Our Business’ beginning on page 76 of this Red Herring Prospectus.

### Quantitative Factors

The information presented in this section for the years ended March 31, 2007, 2008 and 2009 is derived from our unconsolidated and consolidated audited restated financial statements prepared in accordance with Indian GAAP. Investors should evaluate the Company taking into consideration its earnings and based on its consolidated growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

#### 1. Weighted average Earnings Per Share (“EPS”)

Financial Period	Weight	Standalone diluted EPS (Rs.)	Consolidated diluted EPS (Rs.)
Year ended March 31, 2007	1	8.65	11.95
Year ended March 31, 2008	2	20.20	26.84
Year ended March 31, 2009	3	13.67	22.48
<b>Weighted Average</b>		<b>15.01</b>	<b>22.18</b>

**Diluted EPS for the three months period ended June 30, 2008 is Rs. 7.31 and Rs 14.53 on stand alone and consolidated basis respectively**

#### Note:

- a) *Earnings per share calculations are in accordance with Accounting Standard – 20 ‘Earnings per Share’ issued by the Institute of Chartered Accountants of India.*
- b) *The face value of each Equity Share is Rs. 10/-.*
- c) *Earnings figures used are those before extra-ordinary items.*
- d) *The diluted earnings per share(Rs.) has been computed by dividing net profit after tax, as restated, attributable to equity shareholders by weighted average number of dilutive equity shares outstanding during the year.*

#### 2. Price Earnings Ratio (‘P/E Ratio’) in relation to the Issue Price of Rs. [●] per share of Rs. 10 each

Particulars	At the Floor Price of Rs. 316	At the Cap Price of Rs. 330
<b>Standalone basis</b>		
➤ Based on weighted average (EPS)	21.1	22.0
➤ Based on EPS as on March 31, 2009	23.1	24.1
<b>Consolidated basis</b>		

➤ Based on weighted average (EPS)	14.2	14.9
➤ Based on EPS as on March 31, 2009	14.1	14.7

### 3. Industry Price Earnings Ratio ('P/E Ratio')

Industry PE Multiple	
Highest	60.4
Lowest	13.8
Average	49.2

Source: Capital Market, Volume XXIV/17, Oct 19-Nov 01, 2009. (Industry – Travel Agencies);

### 4. Weighted Average Return on Net Worth ('RoNW')

Financial Period	Weight	Standalone RoNW (%)	Consolidated RoNW (%)
Year ended March 31, 2007	1	28.67	35.89
Year ended March 31, 2008	2	21.64	25.68
Year ended March 31, 2009	3	20.56	27.53
<b>Weighted Average</b>		<b>22.27</b>	<b>28.31</b>

Return on Net Worth for the three months period ended June 30, 2009 is 9.91% and 14.85% on stand alone and consolidated basis respectively

**Note:** The RoNW has been computed by dividing net profit before extraordinary items and after tax as restated by net worth including share application money and excluding revaluation reserve at the end of the year.

### 5. Minimum Return on Increased Net Worth required to maintain Pre-Issue annualised diluted EPS for the year ended March 31, 2009

Basis	%
On standalone basis	[●]
On consolidated basis	[●]

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

### 6. Net Asset Value ('NAV') per Equity Share

NAV as at June 30, 2009 (standalone)	: Rs.73.80 per Equity Share
NAV as at June 30, 2009(consolidated)	: Rs.99.17 per Equity Share
NAV as at March 31, 2009 (standalone)	: Rs.66.49 per Equity Share
NAV as at March 31, 2009(consolidated)	: Rs.81.62 per Equity Share
NAV after the Issue	: Rs. [●] per Equity Share
Issue Price	: Rs. [●] per Equity Share

NAV per Equity Share for the years ended March 31, 2007, 2008 and 2009 is as follows:

Financial Period	Weight	Standalone basis Net Asset Value per Equity Share (Rs.)	Consolidated basis Net Asset Value per Equity Share (Rs.)
Year ended March 31, 2007	1	137.94	152.30
Year ended March 31, 2008	2	93.32	59.42
Year ended March 31, 2009	3	66.49	81.62
<b>Weighted Average</b>		<b>87.34</b>	<b>86.00</b>

**Note:** The NAV per share has been computed by dividing net worth, as restated, including share application money and excluding revaluation reserve at the end of the year/period by weighted average number of equity shares outstanding at the end of the year/period

## 7. Comparison with Industry Peers

As our Company is currently a niche player in the travel related services, we believe that there are no comparable listed entities in terms of size and business model. Based on the nature of the services provided by the Company, the comparison of its accounting ratios with its closest comparable listed competitors although not in terms of size, but in terms of business in India is given below:

Particulars	FV of Equity Shares (Rs.)	March 2009 Diluted EPS (Rs.)	P/E as on October 09, 2009 (X times)	March 2009 RoNW (%)	March 2009 NAV (Rs.)
Cox and Kings (India) Limited <sup>#</sup>		13.67		20.56	66.49
At Floor Price of Rs. 316	10		23.1		
At Cap Price of Rs. 330	10		24.1		
<i>Peer Group</i> <sup>(1)</sup>					
Thomas Cook (India) Ltd.*	1	1.40	60.4	35.2%	

<sup>(1)</sup>Source: Capital Market, Volume XXIV/17, Oct 19-Nov 01, 2009. (Industry – Travel Agencies); <sup>#</sup>as on Mar 31<sup>st</sup>, 2009, FV of Rs. 10/- per equity share, EPS, RoNW and NAV is as per standalone financials; \*as on Dec 31<sup>st</sup>, 2008, FV of Rs 1/- per equity share

The Issue Price will be determined by the Company, in consultation with the BRLM, on the basis of assessment of market demand from the potential investors for the Equity Shares through the Book Building Process. The face value of the Equity Shares is Rs.10/- each and the Issue Price is 31.6 times the face value at the lower end of the Price Band and 33.0 times the face value at the higher end of the Price Band.

The BRLM believe that the Issue Price of Rs. [●]/- per Equity Share is justified in view of the above qualitative and quantitative parameters. For further details and to have a more informed view, please refer the section titled 'Risk Factors' beginning on page xv and the financials of the Company including important profitability and return ratios, as set out in the Auditor's Report stated in this Red Herring Prospectus to have a more informed view about the investment proposition.

## STATEMENT OF TAX BENEFITS

To,  
Board of Directors,  
Cox and Kings (India) Limited,  
Turner Morrison Building,  
1st Floor, 16 Bank Street, Fort,  
Mumbai- 400 001

Dear Sirs,

We hereby report that the enclosed annexure states the possible tax benefits available to Cox and Kings (India) Limited (the "Company") and its shareholders under the current direct tax laws presently in force in India. The benefits as stated 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.

The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been / would be met with.

The contents of this annexure are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and our interpretation of current direct laws in force.

**Place : Mumbai**  
**Date : August 12, 2009**

**Amit Chaturvedi**  
**Partner**  
**Membership No. 103141**  
**For Chaturvedi & Shah**  
**Chartered Accountants**

Annexure referred to in our letter dated August 12, 2009

The following tax benefits shall be available to the Company and the prospective shareholders under direct tax.

**1. To the Company – Under the Income –tax Act, 1961 (“the Act”)**

- 1.1 In terms of section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of any company is exempted from the tax.
- 1.2 Under section 48 of the Act, if the investments in shares are sold after being held for not less than twelve months, the gains (in cases not covered under section 10(38) of the Act), if any, will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition, and expenses, if any, in relation to such transfer.
- 1.3 Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of investment in shares will be exempt from capital gains tax if the capital gain are invested up to a maximum of Rs.50 lakhs within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued by
  - a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
  - b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;
- 1.4 Under section 112 of the Act and other relevant provisions of the Act, Long term capital gains, (i.e. if shares are held for a period exceeding 12 months) (in cases not covered under section 10(38) of the Act), arising on transfer of investment in shares, shall be taxed at a rate of 20% (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder.

**2. To the Members of the Company – Under the Income Tax Act, 1961**

**2.1. Resident Members**

- a) Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income-tax in the hands of the shareholders.
- b) Shares of the company held as capital asset for a period of more than 12 months preceding the date of transfer will be treated as Long Term Capital Assets.
- c) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company (i.e. capital asset held for the period of twelve months or more) entered into in a recognised stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax. From Assessment Year 2007-2008, such long-term capital gains will be included while computing book profits for the purpose of payment of Minimum Alternate Tax (“MAT”) under the provisions of Section 115 JB of the Act.
- d) As per the provisions of Section 10(23D) of the Act, all mutual funds set up by public sector banks, public financial institutions or mutual funds registered under the Securities and Exchange Board of India (SEBI) or authorised by the Reserve bank of India are eligible for exemption from income-tax, subject to the

conditions specified therein, on their entire income including income from investment in the shares of the company.

- e) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets (other than those exempt under Section 10(38)) shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested up to a maximum of Rs.50 lakhs within a period of six months from the date of transfer in the bonds issued by
  - (i) National Highways Authority of India constituted under Section 3 of National Highways Authority of India Act, 1988;
  - (ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

- f) Under Section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets (other than a residential house and those exempt u/s 10(38)) then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilised for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
- g) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company or unit of an equity oriented mutual fund, which is subject to securities transaction tax will be taxable under the Act at the rate of 10% (plus applicable surcharge, educational cess and secondary and higher educational cess).
- h) Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains (not covered under Section 10(38) of the Act) arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge, educational cess and secondary and higher educational cess on income-tax) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge, educational cess and secondary and higher educational cess on income-tax) (without indexation), at the option of the shareholders, if the transfer is made after listing of shares.

## 2.2. ***Non-Resident Indians / Members other than foreign Institutional Investors and Foreign Venture Capital Investors***

- a) By virtue of Section 10(34) of the Act, income earned by way of dividend income from a domestic company referred to in Section 115-O of the Act, is exempt from tax in the hands of the recipients.
- b) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company (i.e. capital asset held for the period of twelve months or more) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.
- c) Taxation of Income from investment and Long Term Capital Gains on its transfer
  - (i) A non-resident Indian, i.e. an individual being a citizen of India or person of Indian origin has an option to be governed by the special provisions contained in Chapter XIIA of the Act, i.e. “Special Provisions Relating to certain incomes of Non-Residents”.

- (ii) Under Section 115E of the Act, where shares in the company are subscribed for in convertible Foreign Exchange by a non-resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall (in cases not covered Section 10(38) of the Act) be concessionaly taxed at a flat rate of 10% (plus applicable surcharge, educational cess and secondary and higher educational cess on Income-tax) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to Section 48 of the Act.
- (iii) Under provisions of Section 115F of the Act, long term capital gains (not covered under Section 10(38) of the Act) arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible Foreign Exchange shall be exempt from income tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

d) Return of Income not to be filed in certain cases

Under provisions of Section 115-G of the Act, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted therefrom.

e) Other Provisions of the Act

- (i) Under Section 115-I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A of the Act for any assessment year by furnishing his return of income under Section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him. In such a case the tax on investment income and long term capital gains would be computed as per normal provisions of the Act.
- (ii) Under the first proviso to Section 48 of the Act, in case of a non resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost of indexation benefits will not be available in such a case.
- (iii) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets (other than those exempt u/s 10(38) shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gains are invested up to a maximum of Rs.50 lakhs within a period of six months from the date of transfer in the bonds issued by-
  - (i) National Highways Authority of India constituted under Section 3 of National Highways Authority of India Act, 1988;
  - (ii) Rural Electricification Corporation Limited, a company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

- (iv) Under Section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets (other than a residential house and those exempt u/s 10(38)) then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house



property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

- (v) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company or unit of an equity oriented mutual fund, which is subject to securities transaction tax will be taxable under the Act at the rate of 10% (plus applicable surcharge, educational cess and secondary and higher educational cess).
- (vi) Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains (not covered under Section 10(38) of the Act) arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge, educational cess and secondary and higher educational cess on income-tax) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge, educational cess and secondary and higher educational cess on income-tax) (without indexation), at the option of the shareholders.

### 2.3. **Foreign Institutional Investors (FIIs)**

- a) By virtue of Section 10(34) of the Act, income earned by way of dividend income from another domestic company referred to in Section 115-O of the Act, are exempt from tax in the hands of the Institutional investor.
- b) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company (i.e. capital asset held for the period of twelve months or more) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.
- c) Under Section 115AD capital gain arising on transfer of short capital assets, being shares and debentures in a company, are taxed as follows:
  - (i) Short term capital gain on transfer of shares/debentures entered in a recognised stock exchange which is subject to securities transaction tax shall be taxed at the rate of 10% (plus applicable surcharge, educational cess and secondary and higher educational cess) ; and
  - (ii) Short term capital gains on transfer of shares/debentures other than those mentioned above would be taxable at the rate of 30% (plus applicable surcharge, educational cess and secondary and higher educational cess).
- d) Under Section 115AD capital gain arising on transfer of long term capital assets, being shares and debentures in a company (in cases not covered Section 10(38) of the Act), are taxed at the rate of 10% (plus applicable surcharge, educational cess and secondary and higher educational cess). Such capital gains would be computed without giving effect to the first and second proviso to Section 48. In other words, the benefit of indexation, direct or indirect, as mentioned under the two provisos would not be allowed while computing the capital gains.
- e) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets (other than those exempt u/s 10(38) shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested up to a maximum of Rs.50 lakhs within a period of six months from the date of transfer in the bonds issued by-
  - (i) National Highways Authority of India constituted under Section 3 of National Highways Authority of India Act, 1988;
  - (ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

#### 2.4. ***Venture Capital Companies/Funds***

As per the provisions of Section 10(23FB) of the Act, income of

- Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette; and
- Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette set up for raising funds for investment in a Venture Capital Undertaking are eligible for exemption from income tax on all their income, including dividend from and income from sale of shares of the company..

#### 3. **Mutual Funds**

In terms of Section 10 (23D) of the Income Tax Act, 1961, mutual funds registered under the Securities and Exchange Board of India Act 1992 and such other mutual funds set up by public sector banks or public financial institutions authorized by the Reserve Bank of India and subject to the conditions specified therein, are eligible for exemption from income tax on their entire income,

#### 4. **Wealth Tax Act, 1957**

Shares in a company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth-tax Act, 1957; hence, wealth tax is not leviable on shares held in a company.

#### 5. **The Gift Tax Act, 1957**

Gift of shares of the company made on or after October 1, 1998 are not liable to tax.

#### **Notes:**

- a) All the above benefits are as per the current tax law and will be available only to the sole/first named in case the shares are held by joint holders.
- b) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
- c) In view of the individual nature of tax consequence, each investor is advised to consult his/her own tax adviser with respect to specific tax consequences of his/her participation in the issue.
- d) The above statement of possible direct tax benefits sets 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 OUR COMPANY

### INDUSTRY OVERVIEW

*The information in this section is derived from various reports and publications and in any other form available in public of various international bodies including the World Tourism Organization (UNWTO), the World Travel & Tourism Council (WTTC), the World Economic Forum and that of Ministry of Tourism, Government of India and others. Neither we nor any other person connected with the Issue have verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. In particular, we have relied on the report “Travel and Tourism in India” issued by Euromonitor International in November 2008.*

#### Travel & Tourism Industry

Travel & Tourism is currently one of the world’s largest economic activities. It is the leading industry in many countries, as well as the fastest growing economic sector in terms of job creation worldwide. Between 1950 and 2004, international tourism receipts increased from US\$2.1 billion to US\$622.7 billion;<sup>1</sup> by 2006, the T&T sector accounted for 10.3 percent of world GDP. In the same year, there were 234 million jobs in the industry, making up 8.2 percent of total employment worldwide.<sup>2</sup> The rising economic importance of the industry has been fuelled by the large and growing number of international travellers. According to the World Tourism Organization (UNWTO), the number of international arrivals grew from 25 million in 1950 to an estimated 763 million in 2004, corresponding to an average annual growth rate of 6.5 percent.<sup>3</sup> Travel & Tourism is thus one of the most important economic activities internationally, and the main industry in many countries, as well as the fastest growing economic sector in terms of foreign exchange earnings and job creation, according to the UNWTO.

The economic significance and potential of Travel & Tourism is particularly prominent in the developing world. The sector is an important driver of growth and prosperity and, within developing countries, for poverty reduction. In fact, according to the World Travel & Tourism Council (WTTC), most new jobs in developing countries are created in tourism industries.<sup>4</sup> Travel & Tourism helps diversify economic activity and enables the creation of wealth and jobs in rural areas. The industry also triggers important indirect development effects that improve the quality of life of citizens and enhance a country’s overall economic prospects.

The sector also has important indirect positive development effects. The desire to improve the national environment for Travel & Tourism encourages governments to make infrastructure improvements such as better roads, electricity, telephone, and public transport networks, which, as well as facilitating tourism, improves the economy’s overall development prospects and the quality of life for its residents. Furthermore, the industry contributes positively in raising cultural awareness and enhancing environmental sustainability. The dependence of tourism on the quality of the natural environment also places it in a special position in terms of environmental sustainability. The T&T industry can make a positive contribution to the quality of the natural environment by, for example, communicating the value of the natural environment to residents, by creating business incentives for environmental improvements, and through raising awareness of environmental issues and encouraging tourists to advocate environmental conservation.<sup>5</sup>

*(Source: The Travel & Tourism Competitiveness Report 2007, World Economic Forum)*

<sup>1</sup> UNWTO, *Historical Perspective of World Tourism*, available online at <http://www.unwto.org/facts/menu.html>; <sup>2</sup> WTTC 2006a; <sup>3</sup> UNWTO, *Historical Perspective of World Tourism*, available online at <http://www.unwto.org/facts/menu.html>; <sup>4</sup> 2006 Tourism Satellite Accounting research of the World Travel & Tourism Council (WTTC) and Accenture. <sup>5</sup> See UNCED (1992).

The United Nations classified three forms of tourism in 1994, in its ‘Recommendations on Tourism Statistics’- Domestic tourism, which involves residents of the given country travelling only within this country; Inbound tourism, involving non-residents travelling in the given country; and Outbound tourism, involving residents travelling in another country. We, thus, broadly discuss the Travel & Tourism Industry for each of these forms from both global perspective and in context to India in the following paragraphs.

## Global Travel & Tourism Overview – Inbound

### For 10 Years ending 2006:

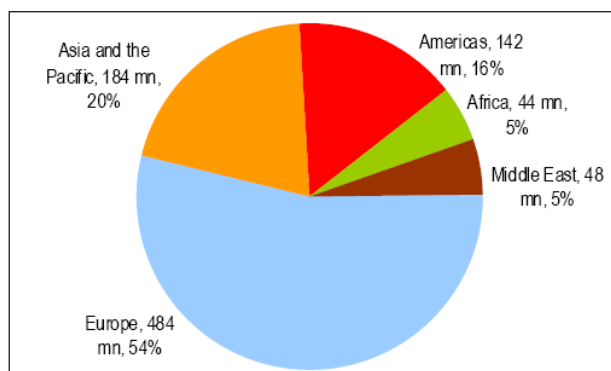
Year	International Tourist Arrivals (in Million)				International Tourist Receipts (in US \$ Bn)	
	World	y-o-y change (in %)	Asia and the Pacific	y-o-y change (in %)	World	Asia and the Pacific
1996	572.4	-	90.4	-	438.3	84.8
1997	596.0	4.1%	89.7	-0.8%	441.8	82.2
1998	614.0	3.0%	89.4	-0.3%	444.1	72.1
1999	637.4	3.8%	98.8	10.5%	457.8	79.0
2000	637.4	0.0%	110.6	11.9%	474.1	85.2
2001	684.4	7.4%	115.8	4.7%	462.2	88.0
2002	704.7	3.0%	124.9	7.9%	480.1	96.3
2003	692.2	-1.8%	113.2	-9.4%	527.2	93.5
2004	761.4	10.0%	144.1	27.3%	629.0	123.9
2005	803.0	5.5%	155.3	7.8%	680.0	134.6
2006	847.0	5.5%	167.0	7.5%	742.0	156.5
2007*	903.0	6.6%	184.3	10.4%	856.0	188.9

Source: UNWTO Tourism Market Trends 2006, for the years upto 2004; UNWTO Barometer Oct 2007 & Jun for 2005, 2006 and 2007; \*provisional figures for receipts

### For the Year 2007:

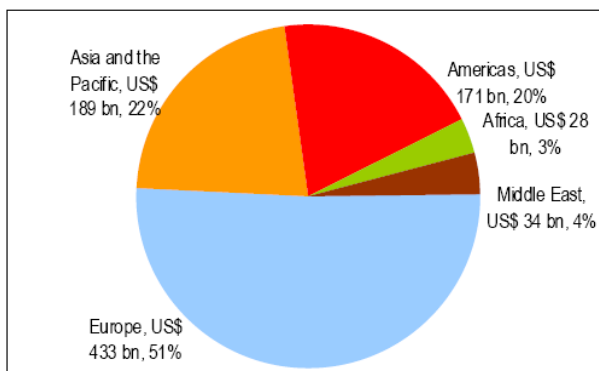
International Tourist Arrivals reached 903m in 2007, up 6.6% on 2006. International Tourist Receipts grew to \$856b (euro 625b) in 2007, corresponding to an increase in real terms of 5.6% on 2006. As reflected in the charts below the share of Asia and the Pacific was 20% in the total International Tourist Arrivals and 22% of the total International Tourism Receipts for the year. Europe remains the largest contributor with 484m arrivals i.e. 54% of the total and US\$433bn i.e. 51% of the total International Tourist Arrivals and Tourism Receipts respectively.

World Inbound Tourism: International Tourist Arrivals, 2007



Source: World Tourism Organization (UNWTO) ©

World Inbound Tourism: International Tourism Receipts, 2007



Source: World Tourism Organization (UNWTO) ©

## World's Top Tourism Destinations & Tourism Earners - 2007

The World Tourism Organization reports the following ten countries (refer the table on left) as the most visited by number of international travellers and the top ten tourism earners (refer the table on right) in 2007. The top 10 destinations by International Tourist Arrivals and International Tourism Receipts did not show any major changes. In arrivals, France holds to its first position ahead of Spain and the USA, while in receipts the USA ranks first. France third and Spain maintains second place. China and Italy alternate in 4th and 5th position, in both rankings followed by UK and Germany. When compared to 2006, Ukraine entered the top 10 list, surpassing Russia, Austria and Mexico. Most of the top visited countries continue to be on the European continent. It is noticeable that most of the top tourism earners are also on the European continent, but the United States continues to be the top earner. India ranked 42nd in the list of the top tourism destinations after Brazil and 20th as the top tourism earner for the year.

Rank	Country	UNWTO Regional Market	International tourist arrivals (2007)	International tourist arrivals (2006)
1	France	Europe	81.9 million	79.1 million
2	Spain	Europe	59.2 million	58.5 million
3	United States	North America	56.0 million	51.1 million
4	China	Asia	54.7 million	49.6 million
5	Italy	Europe	43.7 million	41.1 million
6	United Kingdom	Europe	30.7 million	30.7 million
7	Germany	Europe	24.4 million	23.6 million
8	Ukraine	Europe	23.1 million	18.9 million
9	Turkey	Europe	22.2 million	18.9 million
10	Mexico	North America	21.4 million	21.4 million

Rank	Country	UNWTO Regional Market	International Tourism Receipts (2007)	International Tourism Receipts (2006)
1	United States	North America	\$96.7 billion	\$85.7 billion
2	Spain	Europe	\$57.8 billion	\$51.1 billion
3	France	Europe	\$54.2 billion	\$46.3 billion
4	Italy	Europe	\$42.7 billion	\$38.1 billion
5	China	Asia	\$41.9 billion	\$33.9 billion
6	United Kingdom	Europe	\$37.6 billion	\$33.7 billion
7	Germany	Europe	\$36.0 billion	\$32.8 billion
8	Australia	Oceania	\$22.2 billion	\$17.8 billion
9	Austria	Europe	\$18.9 billion	\$16.6 billion
10	Turkey	Asia	\$18.5 billion	\$16.9 billion

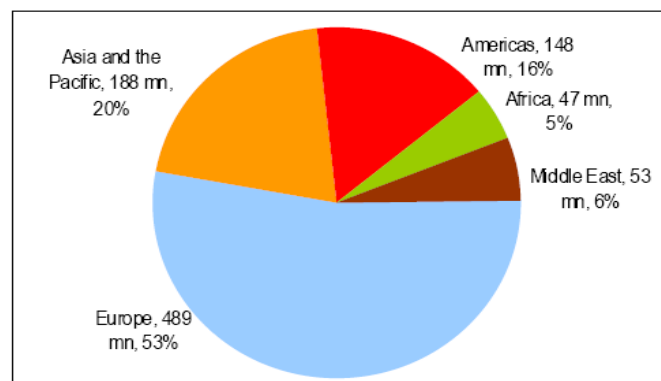
(Source: UNWTO World Tourism Barometer Vol.6 No.2 June 2008)

### For the Year 2008:

In 2008, International Tourist Arrivals reached 924m, up 16m over 2007 (which closed at 908m), representing a growth of 2%. As a result of the extremely volatile world economy (financial crisis, commodity and oil price rises, sharp exchange rate fluctuations), tourism demand slowed significantly through the year. The last six months of 2008, in particular, showed an abrupt shift in trends, with international tourist arrivals flat or showing negative growth. Overall, the 5% growth between January and June gave way to a 1% decline in the second half of the year.

Despite negative growths in the second half of the year, for the year 2008 as a whole all regions were positive except Europe, which suffered stagnation in arrivals. The best performances were registered in the Middle East (+11%), Africa (+5%) and the Americas (+4%). Asia and the Pacific's growth (+2%) was well behind its 2007 level (+11%). The above results in South-East (+4%) and South Asia (+4%) were not sufficient to compensate for the sharp slowdown in the growth of North-East Asia (+0.4%) and the decline in Oceania (-1.5%). In the midst of general deceleration, however, few destinations around the world showed very positive results in 2008 including India.

World Inbound Tourism: International Tourist Arrivals, 2008\*



Source: World Tourism Organization (L) \*implies provisional

(Source: UNWTO World Tourism Barometer Vol.7 No.1 January 2009)

### Future Scenario:

#### □ Impact of Global Recession on the Industry:

WTTC's latest research shows that Travel & Tourism Economy GDP will contract by 3.6% in 2009. However, lower fuel costs will make a difference as will lower general inflation, which should reverse part of last year's squeeze on households' spending power and looking beyond the current crisis, Travel & Tourism is expected to resume its leading role in driving global growth, creating jobs and alleviating poverty.

**Emerging economies are expected to be the main engines of growth**, generating hundreds of millions of new travellers from among the growing middle classes in countries like China, **India** and Brazil – boosting international travel, but also creating an increasingly vibrant domestic tourism sector. In developed countries, the increasing priority given to leisure activities can be expected to enhance demand for travel to existing and new tourism destinations once consumers regain confidence, while the popularity of short breaks – both domestic and international – will continue to expand in the medium to longer term.

Overall, the Travel & Tourism Economy is forecast to grow by 4% per annum in real terms over the next ten years. By 2019, Travel & Tourism will account for 275 million jobs, representing 8.4% of total employment across the world. This means that Travel & Tourism will continue growing in importance as one of the world's highest priority industries and employers. (Source: World Travel & Tourism Council (WTTC) Press Release dated March 12, 2009)

□ **Economic Impact 2009 and 2010:**

According to the last annual research by WTTC, Travel & Tourism employed over 225 million people around the world and generated 9.6% of global GDP in 2008. Despite occasional dips in the annual growth curve, the last decade has seen a rapid rise in Travel & Tourism. Nevertheless, as to Travel & Tourism's longer-term future, looking beyond the present economic crisis, the prospects for Travel & Tourism remain strong, led by renewed expansion in emerging countries – both as tourism destinations and as an increasing source of international and domestic visitors – not to mention the growing priority accorded by people in developed countries to leisure tourism. (Source: the 2009 edition of WTTC's *The Economic Impact of Travel & Tourism*)

□ **Forecasts – 10 Year Trend:**

**Gross Domestic Product (GDP):** The contribution of Travel & Tourism to Gross Domestic Product (GDP) is expected to rise from 9.4% (US\$5,474 bn) in 2009 to 9.5% (US\$10,478 bn) by 2019.

**Employment:** The contribution of the Travel & Tourism Economy to employment is expected to rise from 219.81m jobs in 2009, 7.6% of total employment, or 1 in every 13.1 jobs to 275.688m jobs, 8.4% of total employment or 1 in every 11.8 jobs by 2019.

**Growth:** Real GDP growth for the Travel & Tourism Economy is expected to be -3.5% in 2009, down from 1.0% in 2008, but to average 4.0% per annum over the coming 10 years.

(Source: the 2009 edition of WTTC's *The Economic Impact of Travel & Tourism*)

- **Travel & Tourism Demand: Global Ranking**

Over the next ten years, the picture will change somewhat as emerging tourism markets start to reap greater benefits from their investment in Travel & Tourism development. While the USA, Japan, China and Germany will retain their current top four slots in terms of total Travel & Tourism Demand (in absolute terms), **India** will rank **3<sup>rd</sup>** in terms of annual growth in Travel & Tourism Demand between 2010 and 2019, averaging 8.2% per annum.

ABSOLUTE TERMS			FASTEST GROWING		
Which countries are expected to total the largest amount (absolute terms) of Travel & Tourism Demand in 2009?			Which countries are expected to grow their Travel & Tourism Demand the fastest from 2010-2019?		
Travel & Tourism Demand		2009 US\$ bn	Travel & Tourism Demand		10-yr Real Growth Annualised %
1	United States	1,640.3	1	Sao Tome and Principe	20.1
2	Japan	556.1	2	China	9.2
3	China	526.6	3	India	8.2
4	Germany	438.4	4	Malawi	7.2
5	France	378.1	5	Cape Verde	7.1
6	Spain	310.0	6	Vietnam	7.1
7	United Kingdom	307.2	7	Libya	7.0
8	Italy	281.0	8	Montenegro	7.0
9	Canada	176.8	9	Namibia	7.0
10	Mexico	158.2	10	Zimbabwe	6.9

(Source: the 2009 edition of WTTC's *The Economic Impact of Travel & Tourism*)

- **Travel & Tourism Demand: India's Global Positioning**

India is also becoming an increasingly important player in the global tourism economy, climbing to fifth place in the contribution of its Travel & Tourism Economy to total GDP growth over the next ten years (from 2010 to 2019), with annual growth of 7.7% forecast; China is expected to rank first. During the same period, India would rank 2<sup>nd</sup> next to China surpassing the US in generating employment by creating over 40m jobs.

FASTEST GROWING			ABSOLUTE TERMS		
Which countries are expected to grow their Travel & Tourism Economy GDP the fastest from 2010-2019?			Which countries are expected to generate the largest amount (absolute terms) of Travel & Tourism Economy Employment in 2019?		
Economy GDP		10-yr Real Growth Annualised %	T&T Economy Employment		2019 '000 jobs
1	China	9.2	1	China	83,519
2	Namibia	7.9	2	India	40,037
3	Oman	7.8	3	United States	15,552
4	Cape Verde	7.7	4	Indonesia	8,262
5	India	7.7	5	Brazil	7,505
6	Moldova	7.2	6	Japan	6,895
7	Libya	7.0	7	Mexico	6,865
8	Qatar	7.0	8	Vietnam	5,675
9	Sao Tome and Principe	6.9	9	Thailand	5,007
10	Azerbaijan	6.9	10	Philippines	4,222

In terms of Travel & Tourism Capital Investments, India would not remain far behind. With expected expenditure of \$94.5 bn in 2019 India would rank 5<sup>th</sup> next to the US, China, Russia and Spain. Amongst fastest growing countries in Travel & Tourism Capital Investments India would rank 3<sup>rd</sup>; China would rank 9<sup>th</sup> fastest growing countries.

ABSOLUTE TERMS			FASTEST GROWING		
Which countries are expected to spend the largest amount (absolute terms) on Travel & Tourism Capital Investment in 2019?			Which countries are expected to grow their Travel & Tourism Capital Investment the fastest from 2010-2019?		
Capital Investment		2019 US\$ bn	Capital Investment		10-yr Real Growth Annualised %
1	United States	505.8	1	Sao Tome and Principe	21.0
2	China	487.2	2	Angola	11.6
3	Russian Federation	179.0	3	India	8.8
4	Spain	97.4	4	Russian Federation	8.5
5	India	94.5	5	Malawi	7.9
6	Japan	82.6	6	Korea, Republic of	7.7
7	United Kingdom	66.8	7	Thailand	7.5
8	Mexico	64.3	8	Singapore	7.5
9	Australia	61.7	9	China	7.2
10	Italy	52.2	10	Finland	7.1

(Source: the 2009 edition of WTTC's *The Economic Impact of Travel & Tourism*)



## Global Travel & Tourism Overview – Outbound

### International Tourism Top Spenders - 2007:

The World Tourism Organization reports these countries (refer the table on right) as the top ten biggest spenders on international tourism for the year 2007. For the fifth year in a row, German tourists continue as the top spender followed by the US and the UK. France, the top Tourism Destination stood 4<sup>th</sup> followed by China. The year 2007, however, was another strong year for emerging markets. **India stood 27<sup>th</sup>**, a rank after Mexico and followed by Brazil which stood next in the list.

(Source: UNWTO World Tourism Barometer Vol.6 No.2 June 2008)

Rank	Country	UNWTO Regional Market	International Tourism Expenditures (2007) <sup>[4]</sup>	International Tourism Expenditures (2006) <sup>[8]</sup>
1	Germany	Europe	\$82.9 billion	\$73.9 billion
2	United States	North America	\$76.2 billion	\$72.1 billion
3	United Kingdom	Europe	\$72.3 billion	\$63.1 billion
4	France	Europe	\$36.7 billion	\$31.2 billion
5	China	Asia	\$29.8 billion	\$24.3 billion
6	Italy	Europe	\$27.3 billion	\$23.1 billion
7	Japan	Asia	\$26.5 billion	\$26.9 billion
8	Canada	North America	\$24.8 billion	\$20.5 billion
9	Russia	Europe	\$22.3 billion	\$18.2 billion
10	South Korea	Asia	\$20.9 billion	\$18.9 billion

Source countries turning in the best performances (measured in local currencies, at current prices) comprised Saudi Arabia (+170%, after a sharp decline in 2006), Brazil (+43%), Egypt (+37%), Malaysia (+30%), Hungary and Argentina (+27% each), China (+23%); the Russian Federation (+22%), Indonesia (+22%); South Africa (+21%); Turkey (+19%); the Czech Republic (+18%); Ireland (+17%) and Ukraine (+16%). A further seven markets also recorded double-digit growth, bringing the total up to 21. Among the world's top ten spenders, apart from China and the Russian Federation, the strongest growth came from Canada (+14%) and the Republic of Korea (+11%). Only one market, Japan, recorded negative growth (-0.2% in yen). Among the other source countries in the top ten, Germany, the world's top spender, turned in the weakest performance (+3% in euro terms), with the remainder achieving increases of between 5% and 8% for the year. (Source: UNWTO World Tourism Barometer Vol.6 No.2 June 2008)

### Outbound Tourism – Australia:

According to the latest Australian “Tourism Forecasting Committee” report published in Dec 2008, Australian outbound travel is forecast to increase 5.2% to 5.7 million departures in 2008. Increasing propensity of Australian residents to travel overseas has been stimulated by the high value of the Australian dollar and the continued strength of domestic employment. Australia is currently a net exporter of tourism. In 2006-07, exports of tourism goods and services exceeded imports of tourism goods and services by \$327 million after showing a tourism trade deficit of \$235 million in 2005-06.

### Robust Growth in recent times:

Since 2003, Australian outbound travel has accounted for 69% of the growth in total international tourism traffic. In recent years, the outbound share of total nights from home by Australian residents and total tourism expenditure by Australians has increased substantially, particularly in the period since 2004 when the appreciation of the Australian dollar gathered pace. For example, in 2007-08, total outbound nights increased 5.3%. In 2007-08, outbound nights were around 20 million nights higher than in 2004-05. For the same period, domestic visitor nights fell by around 10 million. Also, total expenditure by Australian residents travelling abroad rose 20% (in real terms) to \$30.6 billion in 2007-08, and represented around one third of the total travel spending by Australians in the last financial year.

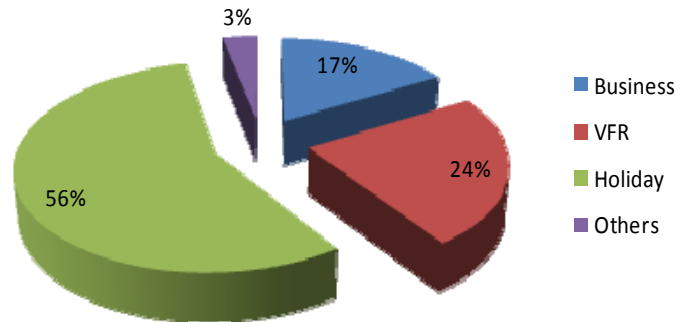
### Long Term Growth Story intact:

Outbound travel is forecast to fall 2.9% (or by 92,000 trips) to 5.6 million in 2009. However, over the long run (2007 to 2017) departures are forecast to grow at an average annual rate of around 3.6% to reach 7.8 million.



<b>Projected Short Term Resident Departures 2008 by Geography (# in '000)</b>	
New Zealand	917
US	498
UK	422
Thailand	390
Indonesia	369
China	276
Fiji	237
Singapore	216
Hong Kong	213
Malaysia	192
Other Asia	730
Other Europe	601
Other	688
<b>Total</b>	<b>5749</b>

Short Term Resident Departures by Purpose of visit- 2008#



# Projected Figures ; Total - 5,749,000 Source: Tourism Forecasting Committee, Dec 2008

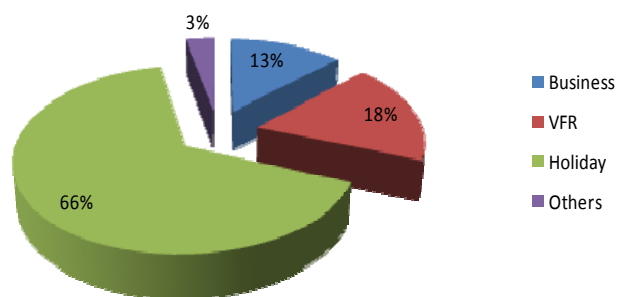
### Outbound Tourism – UK:

The number of visits abroad by UK residents decreased marginally, from 69.5 million in 2007 to 69.0 million in 2008. UK residents spent a total of £36.8 billion on visits abroad, a growth of 5.2 per cent over the previous year. The pattern of visits abroad by region in 2008 was virtually unchanged from both 2007 and 2006. Europe was the destination for 79 per cent of visits abroad by UK residents in 2008, North America 6.7 per cent and other countries of the world 14 per cent. Notable increases in visits made by UK residents for holiday purposes occurred to Mexico (up 37 per cent) and Egypt (up 30 per cent). Air travel accounted for 81 per cent of visits abroad in 2008

In terms of the amount spent by UK residents abroad, Spain and France were the main benefactors with £6.5 billion (up 6.1 per cent on 2007) and £4.0 billion (up 4.7 per cent) respectively, closely followed by the USA, which remained unchanged from 2007 at £3.7 billion. There are four other countries where UK residents spent more than £1 billion: Italy, £1.8 billion (down 2.1 per cent), Greece, £1.2 billion (down 9.9 per cent), Portugal, £1.2 billion (up 20 per cent), and the Irish Republic, £1.1 billion (up 10 per cent). These are all major holiday areas for UK residents where spending on leisure far outweighs that on business. This compares with countries like Germany where more than half of the total spend was on business trips (£0.5 billion out of a total of £0.9 billion).

<b>“Holiday” Segment Visits abroad in 2008 by UK Residents</b>		
<b>Countries</b>	<b>(# in '000)</b>	<b>Spending (in GBP Mn)</b>
Spain	12,069	5,921
France	7,578	2,969
USA	2,479	2,378
Italy	2,387	1,393
Portugal	2,189	1,122
Greece	1,919	1,107
Turkey	1,692	834
Cyprus	1,083	661
Irish Republic	1,425	533
Austria	619	403
<b>Total</b>	<b>45,531</b>	<b>25,526</b>

Visits abroad by UK Residents in 2008 - Breakup by Purpose of visit#



# Total - 69,011,000 Source: Office for National Statistics; Travel Trends 2008 Report

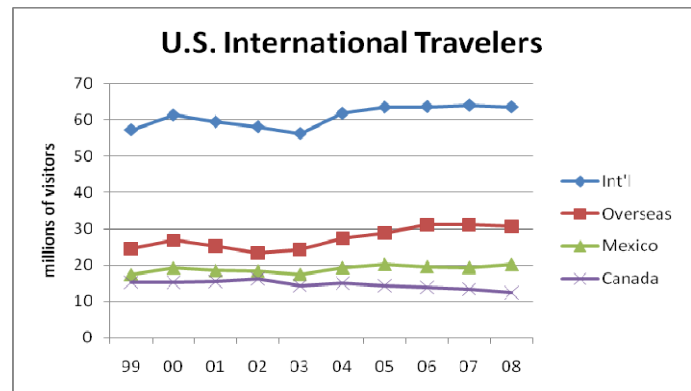
## Outbound Tourism – USA:

The overall U.S. outbound market size was 63.6 million in 2008, down by one percent compared to 2007. Spending by U.S. residents traveling abroad, however, set a record, for the fifth successive year, in 2008 at \$112.3 billion, up seven percent from 2007. Spending by U.S. travelers within foreign countries (travel payments) totaled \$79.7 billion and spending on air transportation, via foreign air carriers (passenger fare payments), totaled \$32.6 billion in 2008.

The main purpose of the overseas trip was leisure/recreation/holiday for 40 percent of the travelers in 2008, up from 38 percent in 2007. Visiting friends and relatives (VFR) was the second highest main purpose of trip at 34 percent, the same as in 2007. Business travel comprised 18 percent of outbound travel, down 2 percentage points from 2007. The average length of trip outside the U.S. increased to 18.0 nights in 2008 compared to 17.4 nights in 2007.

### Top Destination Markets for US visitors:

Mexico and Canada continue to be the top destinations for US visitors, with 20.3 million people (up 4% from 2007) travelling to Mexico and 12.5 million people (down 7% from 2007) travelling to Canada. In 2008, a total of 30.8 million U.S. travelers visited other overseas markets (excluding Mexico and Canada), a decrease of one percent from 2007. Top five overseas markets include the United Kingdom, France, Italy, Germany and Japan. Of the top 20 U.S. outbound destination markets in 2008, India set another record. If travel to the PRC was combined with Hong Kong, China would have been third. Destinations that experienced the highest growth in U.S. visitation between 2007 and 2008 were Colombia (21%), Israel (23%), Turkey (48%) and Egypt (78%).



Source: Office of Travel and Tourism Industries, U.S. Department of Commerce

The top five countries in which U.S. spent their 2008 travel dollars were: Mexico (\$11.1 billion), United Kingdom (\$10.5 billion), Canada (\$7.3 billion), Germany (\$6.3 billion) and Japan (\$5.2 billion). U.S. travelers set records for 2008 travel spending in Germany, Japan, Italy, Hong Kong, Taiwan, Korea, Australia, Netherlands and Argentina.

### Potential Outbound Tourist Destinations:

Given the importance of Travel & Tourism Industry to the world economy, the World Economic Forum devised the *Travel & Tourism Competitiveness Report* (TTCR) to explore the factors driving T&T and with an aim to measure those factors and policies that make it attractive to develop the T&T sector in different countries. The TTCI Rankings for the year 2007 for some of the 124 countries covered under this initiative are as follows:

**Switzerland** takes the leading position in the TTCI rankings, followed closely by **Austria** and **Germany**. Switzerland owes its position at the top to strengths in all areas covered by the Index. As is well known, Switzerland is an extremely safe country, with excellent health and hygiene indicators, as well as environmental regulation that is among the most stringent and effective in the world. And in a country that has some of the most well regarded hotel management schools in the world; the quality of the country's human resources is second to none, ensuring an adequate supply of high quality staff for the industry. The T&T infrastructure is also among the best in the world, making it very easy and comfortable for visitors to move around the country. Further, the country's natural and cultural resources are among the richest in the world. Switzerland is home to six World Heritage sites, a significant number for such a small country, and nearly 30 percent of the land area in the country is protected. Given the importance of policy in driving T&T competitiveness, it is also notable that Switzerland is one of the only high-income countries, together with Spain, that is among the top 10 countries with regard to the prioritization of Travel & Tourism. All of this comes together to make Switzerland a very attractive place to develop the T&T sector. **Austria** and **Germany**, ranked 2nd and 3rd, respectively, share a number of characteristics with regard to their own T&T environments. For example, both countries are among the top three countries, together with Denmark, in the quality of environmental regulation, and they are among the top four in terms of safety and security in the country, with very low crime and violence and reliable police services. Most strikingly they hold the top two spots in natural and cultural resources, ranks attributable to several World Heritage sites in both countries (especially in Germany) and large protected

national parks and such areas. But there are some nuances. For example, Germany is rated as doing better with regard to the quality of transport infrastructure, particularly ground transport infrastructure, where it is rated number 1, whereas Austria's tourism-specific infrastructure is rated as the best in the world, ahead of Germany. And Austria also outperforms Germany quite strongly in the prioritization of Travel & Tourism by the country.

**The United States** is ranked 5th in the Index. It is among the top three of the 124 economies covered regarding natural and cultural resources, with a large number of World Heritage sites (20 of them), as well as much protected land area, making the country an attractive destination. The country also has an excellent infrastructure and business environment for Travel & Tourism, ranked number 1 in the overall sub-index: it has the most well developed air transport infrastructure in the world, by a significant margin, as well as excellent tourism infrastructure. The country's human resources also get excellent marks (ranked 5th overall). It should be noted, however, that hiring foreign labour is highlighted as difficult (ranked 43rd). This is an area of concern because of the seasonality of much of the tourism labour force.

**France**, the most-travelled-to destination in the world, is ranked just outside the top 10 at 12th place. The country's strengths lie in areas such as natural and cultural resources (with, for example, 30 World Heritage sites, among the highest in the world), the quality of the air and ground transport infrastructures (both ranked 4th), and health and hygiene (9th). However, these strengths are offset by weaknesses such as the country's policy rules and regulations (ranked 40th), and, most particularly, issues related to national tourism perception, particularly the general attitude of the French toward visitors (ranked a very low 122nd overall).

**Spain**, a country that has seen an impressive increase in tourism over the years, is ranked 15th overall, just behind France within Europe. Spain's strengths can be traced to its excellent tourism infrastructure (ranked 2nd) and air transport infrastructure (ranked 7th), as well as excellent natural and cultural resources (with the second highest number of World Heritage sites in the world, second only to Italy). And Spain is notably ranked 3rd overall with regard to the prioritization of the T&T sector by the country, the top-ranked European country in this area, demonstrating the recognition within Spain of the importance of the sector as an important driver of economic growth.

**Italy**, the country with the highest number of World Heritage sites in the world, ranks a mediocre 33rd in the TTCI ranking. The country is strongly assessed for its cultural aspects and its very good tourism infrastructure. However, Italy's T&T competitiveness suffers from several weaknesses, which bring the overall rating down. These include policy rules and regulations, where it ranks a dismal 70th—below most European countries because of its very strong foreign ownership restrictions and rules governing FDI. Further, the government is not seen to be prioritizing the sector (ranked 92nd).

**Australia** is ranked 13th overall, just ahead of **New Zealand** (14th). Both countries are characterized by excellent natural and cultural resources, with much nationally protected land area and, in the case of Australia, many World Heritage sites as well (16, placing the country 12th). And given the importance of the natural environment for much of their leisure tourism, it is notable that they also have comparatively stringent environmental regulations, which are aimed at ensuring that this remains a sustainable strength. Further, both countries are characterized by a relatively strong prioritization of the T&T sector and effective destination marketing campaigns.

Among countries in the **Middle East and North Africa region**, the **United Arab Emirates (UAE)** ranks highest, at 18th, well ahead of the second-ranked country, Israel, at 32nd place. Although UAE ranks quite low with regard to natural and cultural resources (80th), it makes up for this with a number of strengths in other areas captured by the Index. For example, national tourism perception is rated 3rd in the world, with an extremely positive attitude toward foreign travellers and the attractiveness of the country for tourism. The country also does very well with regard to price competitiveness, ranked 8th in this area despite a very high price level. This is because of its very low ticket taxes and airport charges, low taxation more generally, and low fuel price levels in the country. The UAE's infrastructure also gets good marks, particularly its air transport infrastructure, which is ranked a very high 8th out of all countries assessed. The government is seen as prioritizing the sector strongly (ranked 4th) and carrying out very effective destination-marketing campaigns (ranked 1st).

**Brazil** is ranked 59th overall. The country clearly benefits from some excellent cultural and natural resources, in particular many World Heritage sites. And the air transport network gets relatively high marks (28th), as well as measures of the dedicated tourism infrastructure (also 28th), such as the presence of major car rental companies. However, the general ground transport network remains underdeveloped with the quality of roads, ports, and railroads ranked 96th, 88th, and 81st respectively. Safety and security also continues to be of serious concern, ranked 90th overall, as it is for a number of

countries in the region. More generally, the overall policy environment is not particularly conducive to the development of the sector, ranked 75th, with, for example, highly stringent visa requirements and foreign ownership restrictions.

Within **Asia**, **Hong Kong** is measured as the economy with the strongest T&T competitiveness (ranked 6<sup>th</sup> overall), followed closely by **Singapore** (8th). These economies have excellent infrastructures: both their ground transport infrastructures are assessed as among the top three in the world, and their air transport infrastructures also get high marks. They also have top-notch human resources, providing healthy and well-educated people to work in the sector. With regard to the policy environment, they hold the top two places out of all economies, with regulatory environments that are extremely conducive to the development of the T&T industry (policies facilitating foreign ownership and foreign direct investment, well-protected property rights, few visa restrictions). Further, they are among the safest countries of all assessed with regard to crime and security issues. Hong Kong is unsurpassed in the quality of health and hygiene, and Singapore is ranked second in the overall prioritization of Travel & Tourism.

**China** is ranked 71st in the TPCI. Although China is ranked 3rd in terms of World Heritage sites and 11<sup>th</sup> in terms of price competitiveness, it has a policy environment that is not at all conducive for T&T development (ranked a low 97th), with property rights that are not sufficiently protected, strong foreign ownership restrictions, and stringent visa requirements. Environmental regulation also gets low marks, with the government not seen to be prioritizing the development of the sector in a sustainable way. China has a relatively good air transport infrastructure (ranked 36th), and ground transport infrastructure that is ranked 45th overall. However, its tourism infrastructure remains highly underdeveloped (ranked 113th). There are also some safety and security concerns (83rd), as well as issues related to health and hygiene (84th), with a low physician density and access to improved sanitation and drinking water that is low by international standards.

**India** is ranked 65th overall. The country has some clear strengths, linked mainly to cultural endowments. It ranked a very high 7th overall with regard to the number of World Heritage sites in the country, and it also benefits from a famously welcoming attitude toward foreign travellers. The country also benefits from excellent price competitiveness, ranked 6th overall, with very low ticket taxes and airport charges as well as low prices in the economy as a whole. With regard to the policy environment, property rights are indeed well protected and foreign ownership is authorized, although the stringency of visa requirements places India a very low 106<sup>th</sup> overall. However, the tourism infrastructure remains underdeveloped. Furthermore, despite government and industry efforts to promote the country abroad (India is ranked 4th with regard to tourism fair attendance) and the exposure given to recent promotional campaigns, the assessment of marketing and branding to attract tourists remains mediocre (ranked 59th). (*Source: The Travel & Tourism Competitiveness Report 2007, World Economic Forum*)

### **India Travel & Tourism Overview:**

Tourism in India is a multi-sectoral activity characterized by multiple services provided by a range of suppliers. It is the largest service industry in the country. Its importance lies in being an instrument for economic development and employment generation, particularly in remote and backward areas. It is contributing towards overall socio-economic improvement and accelerated growth in the economy. The economic benefits flow into the economy through growth of tourism in the shape of increased national and State revenues, business income, employment, wages, and salary income. Tourism is overwhelmingly an industry of private sector providers and the public sector has a significant role to play in infrastructure areas either directly or through Public Private Partnership mode.

Tourism is one economic sector in India that has the potential to grow at a high rate and can ensure consequential development of the infrastructure of the destinations. It has the potential to stimulate other economic sectors through its backward and forward linkages and cross-sectoral synergies with sectors like agriculture, horticulture, handicrafts, transport, construction, etc. The particular significance of tourism industry in India is its contribution to national integration and preservation of natural as well as cultural environments and enrichment of the social and cultural lives of people like preservation of monuments and heritage properties. This sector is also helping the traditional art forms, crafts, and culture.

India's Travel & Tourism - Economic Impact	2008		2018	
	Direct	Economy	Direct	Economy
GDP (in INR B)	1,094	2,860	3,222	9,141
GDP (in \$ B)	28	74	61	172
GDP (as % of total GDP)	2.3%	6.1%	2.2%	6.1%
growth rate <sup>1</sup>	7.1%	7.9%	6.7%	7.6%
Employment (no. of jobs)	13,127,000	30,491,000	16,437,000	39,615,000
Employment (as % of total employment)	2.8%	6.4%	3.0%	7.2%
growth rate <sup>2</sup>	3.0%	4.5%	2.3%	2.7%

Source: The 2008 Travel & Tourism Economic Research India, World Travel & Tourism Council

<sup>1</sup> 2008 real growth adjusted for inflation (%); <sup>2</sup> 2009-2018 annualised real growth adjusted for inflation (%);

### Inbound Tourism – India:

India is the seventh biggest country in the world and with over one billion inhabitants, the second most populous country after China. The diversity of this country is inexhaustible: 5000 years old cultures collide with the most modern infrastructure. Temples, palaces, the fabulous wealth of the Maharajas, snake charmers and holy Sadhus - India offers an abundance of culture, exciting ethnicities, language groups, religions, flora & fauna and different climates. The diversity of India's natural and cultural richness provides the basis of a wide range of tourist products and experiences, which embraces business, leisure, culture, adventure, spirituality, eco-tourism and many other pursuits. In recent years, India has emerged as a destination for natural and eco-tourism and adventure tourism. India can boast of a large number of national parks and game sanctuaries rich in flora and fauna. The country's ~6000km long coastline has exquisite sandy beaches. The emergence of India as a strong scientific and technological power has brought in its wake a special brand of tourists to India, who participates in national and international scientific and technical conferences.

Focused marketing of tourism products and branding of India as a high value destination, policies targeted at strengthening of tourism infrastructure by the Ministry of Tourism (MoT) have been responsible for a healthy growth in international tourist arrivals to India. Over the years, the arrival of foreign tourists has grown significantly. If we analyse the Foreign Tourist Arrivals (FTA) in India over a period 1996- 2007 we would see a significant jump in the last five years where we witnessed that FTA in India to more than double from 2.38m in 2002 to 5.08m in 2007. These numbers include both business and leisure travellers and PIO travelling to meet family. The launch of 'Incredible India' campaign in the year 2002 can be strongly viewed as a growth trigger for India Inbound tourism. This initiative by the MoT fructified in considerable growth being achieved every year since the launch against negative or miniscule growth achieved earlier. When compared with the International Tourist Arrivals in World and in Asia and the Pacific, we see the annual growth in India far more aggressive as it is evident in the table below:

Year	World		Asia and the Pacific		India	
	International Tourist Arrivals (in Million)	y-o-y change (in %)	International Tourist Arrivals (in Million)	y-o-y change (in %)	Foreign Tourist Arrivals (in Million)	y-o-y change (in %)
1996	572.40	-	90.40	-	2.29	-
1997	596.00	4.1%	89.70	-0.8%	2.37	3.8%
1998	614.00	3.0%	89.40	-0.3%	2.36	-0.7%
1999	637.40	3.8%	98.80	10.5%	2.48	5.2%
2000	637.40	0.0%	110.60	11.9%	2.65	6.7%
2001	684.40	7.4%	115.80	4.7%	2.54	-4.2%
2002	704.70	3.0%	124.90	7.9%	2.38	-6.0%
2003	692.20	-1.8%	113.20	-9.4%	2.73	14.3%
2004	761.40	10.0%	144.10	27.3%	3.46	26.8%
2005	803.00	5.5%	155.30	7.8%	3.92	13.3%
2006	847.00	5.5%	167.00	7.5%	4.45	13.5%
2007	903.00	6.6%	184.30	10.4%	5.08	14.3%

Source: UNWTO Tourism Market Trends 2006 Edition for the years upto 2004; UNWTO Barometer Oct 2007 & Jun 2008 Editions for 2005, 2006 and 2007 figures; Bureau of Immigration GoI, Ministry of Tourism GoI for Indian figures

Besides the aggressive growth seen in the number of FTA in India vis-à-vis that in the World at large and in Asia and the Pacific, we also witnessed an improving share of India in them. This is reflected through the following charts. Chart A represents the share of India in World's FTA which has grown steeply upwards since 2002. As against this India's share in Asia & the Pacific FTA saw a sudden jump in the year 2003 and have grown steadily upwards since then.

Chart A: India's Share in World's FTA (in %)

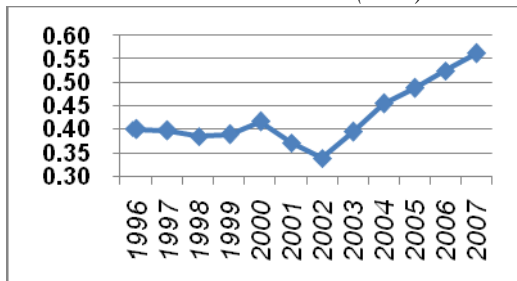
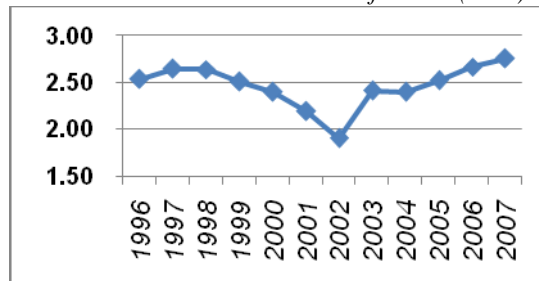


Chart B: India's Share in Asia & the Pacific FTA (in %)



The global slowdown reduced the impressive growth achieved by India's Inbound Tourism till the year 2007. In 2008 the country witnessed a lower 5.7% y-o-y growth from 5.08m tourists in 2007 to 5.37m in 2008.

Months	Foreign Tourist Arrivals (Numbers)									
	2008		2007		2006		2005		2004	
	Numbers	m-o-m inc/dec (in%)	Numbers	m-o-m inc/dec (in%)	Numbers	m-o-m inc/dec (in%)	Numbers	m-o-m inc/dec (in%)	Numbers	m-o-m inc/dec (in%)
January	591,337	10.4%	535,631	16.6%	459,489	19.0%	386,260	14.5%	337,345	
February	561,393	11.9%	501,692	14.3%	439,090	12.9%	389,081	17.3%	331,697	
March	541,478	14.6%	472,494	20.8%	391,009	6.5%	367,068	25.2%	293,185	
April	384,203	9.6%	350,550	13.4%	309,208	18.5%	260,825	16.5%	223,884	
May	300,840	8.6%	277,017	8.6%	255,008	11.3%	229,172	23.5%	185,502	
June	340,159	9.6%	310,364	11.5%	278,370	7.6%	258,822	16.0%	223,122	
July	429,456	7.4%	399,866	18.5%	337,332	15.4%	292,345	7.3%	272,456	
August	391,423	9.2%	358,446	17.8%	304,387	34.2%	226,848	-10.4%	253,301	
September	330,874	9.6%	301,892	1.3%	297,891	15.8%	257,184	13.4%	226,773	
October	452,566	1.8%	444,564	13.6%	391,399	12.5%	347,757	13.1%	307,447	
November	521,247	-2.1%	532,428	20.3%	442,413	4.4%	423,837	10.0%	385,238	
December	521,990	-12.5%	596,560	10.2%	541,571	13.0%	479,411	14.8%	417,527	
<b>Total</b>	<b>5,366,966</b>		<b>5,081,504</b>		<b>4,447,167</b>		<b>3,918,610</b>		<b>3,457,477</b>	
<i>y-o-y growth in %</i>	<b>5.7%</b>		<b>14.2%</b>		<b>13.5%</b>		<b>13.3%</b>		<b>26.7%</b>	

Source: Bureau of Immigration Govt, Ministry of Tourism Govt

An analysis of the month-wise data of the arrivals in India for the last five years shows that the number of tourists arriving in India is more during the period October–March than in the remaining part of the year. This shows that the Inbound Tourism in India is booming in the winter season as compared to the summer months of April to September. The above table reflects this seasonality in India's Inbound Tourism with ~60% of the total FTA is during October–March period while ~40% of them during April–September (measured as an average of the last 5 years ending 2008). Besides, certain events and / or incidents either domestic or global have a direct impact on a spurt or a drop in FTA of a particular month or period of the year. For instance, the beginning of the global meltdown significantly affected the tourism business in India since September 2008. In fact, India witnessed its first negative growth in the last 3 years only in November 2008 with -2.1% and in December 2008 as high as -12.5% (monthly growth when compared with the corresponding month of the previous year).

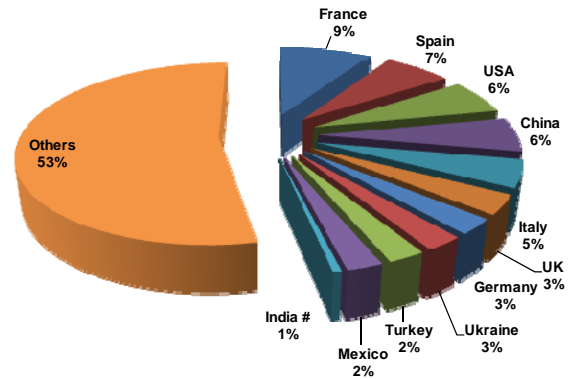
### India's Share in International Tourist Arrivals:

When the FTAs in India stood at 5.08m for the year 2007 the International Tourist Arrivals of all the countries across the globe stood at 903m with France being the most preferred destination amongst international tourists. The top 10 countries when ranked on the basis of the number of international tourist arrivals in their country comprised of 47% of the total arrivals in that year.

Rank	Country	International Tourist Arrivals (in Million)	Share (in %)
1	France	81.9	9.07
2	Spain	59.2	6.56
3	USA	56.0	6.20
4	China	54.7	6.06
5	Italy	43.7	4.84
6	UK	30.7	3.40
7	Germany	24.4	2.70
8	Ukraine	23.1	2.56
9	Turkey	22.2	2.46
10	Mexico	21.4	2.37
<b>India #</b>		<b>5.1</b>	<b>0.56</b>
<b>Others</b>		<b>480.6</b>	<b>53.22</b>
<b>Total</b>		<b>903.0</b>	<b>100.00</b>

# excluding nationals of the company residing abroad

Source: UNWTO Barometer June, 2008



India stood 42<sup>nd</sup> in the ranking of the World's Top Tourism Destinations for the year 2007.

### Foreign Exchange Earnings:

Year	FEE from Tourism in India (in US \$ Millions)	y-o-y change (in %)	FEE from Tourism in India (in Rs. Crores)	y-o-y change (in %)
1996	2,832	9.6	10,046	19.2
1997	2,889	2.0	10,511	4.6
1998	2,948	2.0	12,150	15.6
1999	3,009	2.1	12,951	6.6
2000	3,460	15.0	15,626	20.7
2001	3,198	(7.6)	15,083	(3.5)
2002	3,103	(3.0)	15,064	(0.1)
2003	4,463	43.8	20,729	37.6
2004	6,170	38.2	27,944	34.8
2005	7,493	21.4	33,123	18.5
2006	8,634	15.2	39,025	17.8
2007	10,729	24.3	44,360	13.7
2008 <sup>s</sup>	6,385		25,825	

<sup>s</sup> for the period January to June

Source: Reserve Bank India, for 1996 to 2007, Ministry of Tourism, Govt. of India, for 2008

India is becoming one of the fastest growing tourist destinations in the world. Even with the present volumes of international tourist traffic, tourism has already emerged as an important segment of India's economy. The Foreign Exchange Earnings (FEE) from tourism for the year 2007 was US\$ 10.729 bn increasing from US\$ 8.634 bn in the year 2006 achieving an increase of 24.3%. The adjoining table shows annual increase in FEE from the year 1996 till date. It is evident from these figures that since the year 2003 India has witnessed strong growth in its earnings in lines with the growth in FTAs and Inbound Tourism in India.

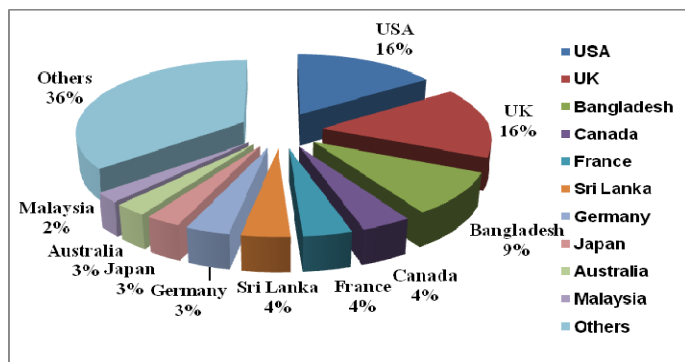
India stood 20<sup>th</sup> in the ranking of the World's Top Tourism Earners for the year 2007.

### Top 10 Visiting Countries to India - India's Inbound Tourism 2007:

The following table gives the list of countries from where India witnessed the most number of arrivals in the year 2007:

Rank	Source Country	FTA (in Mn) Year 2007	Share (in %)
1	USA	0.80	15.73
2	UK	0.80	15.67
3	Bangladesh	0.48	9.45
4	Canada	0.21	4.09
5	France	0.21	4.03
6	Sri Lanka	0.20	4.01
7	Germany	0.18	3.62
8	Japan	0.15	2.87
9	Australia	0.14	2.68
10	Malaysia	0.11	2.22
<b>Others</b>		<b>1.81</b>	<b>35.62</b>
<b>Total</b>		<b>5.08</b>	<b>100.00</b>

Source: Bureau of Immigration Govt



It can be interpreted from above that the USA, the UK, Bangladesh, Canada and France contribute almost half (48.97%) of Inbound tourists in India. The top 10 countries ranked on the basis of their share in FTAs in India contribute almost two-third of the total and rest of the countries contribute about one-third.

(Source: © and database right Euromonitor International PLC 2007/; Travel and Tourism in India, Euromonitor International, November2008)

### Outbound Tourism - India:

Outbound Tourism demand is affected by confidence in economic conditions and security as well as perceptions of discretionary income. A booming economy, rising disposable incomes, higher aspirations, cheaper international air travel and better products from the industry has boosted outbound tourist flow. The following chart shows the growth in the number of outbound travellers from India over the last five years ending 2007:

Rank	Outbound Destinations	2007	2006	2005	2004	2003
1	Singapore	0.84	0.65	0.56	0.44	0.25
2	United Arab Emirates	0.62	0.49	0.40	0.31	0.24
3	USA	0.57	0.48	0.38	0.30	0.24
4	United Kingdom	0.50	0.43	0.33	0.25	0.23
5	Thailand	0.46	0.38	0.32	0.25	0.16
6	Malaysia	0.36	0.26	0.22	0.16	0.10
7	Hong Kong, China	0.31	0.26	0.23	0.17	0.08
8	France	0.20	0.17	0.15	0.15	0.14
9	Italy	0.19	0.16	0.14	0.12	0.13
10	Switzerland	0.18	0.14	0.12	0.09	0.08
	<b>Top 10 Share</b>	<b>53%</b>	<b>49%</b>	<b>46%</b>	<b>42%</b>	<b>36%</b>
	<b>Others</b>	<b>3.75</b>	<b>3.59</b>	<b>3.33</b>	<b>3.16</b>	<b>2.86</b>
	<b>Total</b>	<b>7.97</b>	<b>7.00</b>	<b>6.18</b>	<b>5.40</b>	<b>4.50</b>

Source: Euromonitor International, November 2008

It is evident from above that the top 10 Outbound Destinations account for nearly half of the total outbound travellers from India. These destinations being mostly in Far East and Europe; UAE being the second most popular travel spot after Singapore followed by the US and the UK. Departures achieved growth of 14% in 2007 to nearly eight million people. Increase in disposable income, greater exposure to overseas destinations due to increased advertising, affordable holiday options and low cost carriers all contribute to growth in number of outbound travellers from India. Departures to Singapore accounted for the largest share of departures with nearly 11% while departures to New Zealand achieved the strongest growth of over 72% in 2007, although this stemmed from a low base of people.

### Other Attributes of Outbound Tourism:

Over 839,000 people from India visited Singapore in 2007 for both *business* and *leisure* purposes. *Short haul destinations* like Singapore have become very popular destinations among Indians. In terms of *Long haul destinations*, the US and the UK continued to be the favoured destinations in 2007. *Air departures* continued to account for the largest share of departures by mode of transport, of nearly 99%, in 2007. Owing to the strong emphasis on family culture in India, *Families* accounted for the largest share of *Leisure* departures in 2007, of nearly 40%. *Couples* accounted for the second largest share, of nearly 29%, as there is a growing trend of overseas travel for leisure among young middle-income and upper-income Indians in urban locations owing to increases in their level of disposable income and more affordable holiday options.

*Leisure* departures continued to account for a much higher share of nearly 71% of departures than *Business* departures in 2007 and also achieved the strongest growth of nearly 15%. *Leisure* travel is no longer considered as a post retirement activity with the changing attitudes amongst Indians to travel now rather than to defer it. *Business* departures grew by 12% in 2007 as well over 2 million people travelled abroad for business. *MICE* penetration of business departures in India remained low in 2007, accounting for a share of below 4% of business departures. However *MICE* penetration is gradually



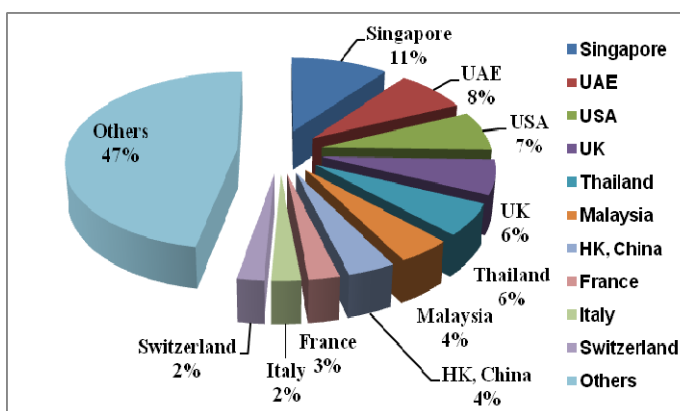
increasing as more companies in India are increasingly looking to destinations in South-East Asia in which to hold exhibitions and conferences. *Outgoing tourist expenditure* grew by over 15% in 2007 to over Rs342 billion. *Shopping* accounted for the largest share of outgoing tourist expenditure, of over 22%, in 2007 followed very closely *Accommodation*. *Credit Card* remained the most popular method of payment in 2007 and it accounted for a share of 53% due to convenience and a very high level of acceptance.

**Top 10 Countries Visited by India - India’s Outbound Tourism 2007:**

The following table gives the list of countries which witnessed the most number of arrivals from India in the year 2007:

Rank	Source Country	Outbound Destinations (in Million) Year 2007	Share (in %)
1	Singapore	0.84	10.52
2	UAE	0.62	7.75
3	USA	0.57	7.16
4	UK	0.50	6.30
5	Thailand	0.46	5.82
6	Malaysia	0.36	4.47
7	H K, China	0.31	3.86
8	France	0.20	2.51
9	Italy	0.19	2.37
10	Switzerland	0.18	2.20
	<b>Others</b>	<b>3.75</b>	<b>47.04</b>
	<b>Total</b>	<b>7.97</b>	<b>100.00</b>

Source: Euromonitor International, November 2008



The top 10 Outbound Destinations based on the number of tourist arrivals from India contribute more than 50% of the total tourist arrivals out of India. The UAE ranks 2<sup>nd</sup> after Singapore, USA ranks 3<sup>rd</sup> while the UK ranks 4<sup>th</sup>; the rest of the top 10 countries are from the Far East and Europe.

(Source: © and database right Euromonitor International PLC 200[7]; Travel and Tourism in India, Euromonitor International, November2008)

**Domestic Tourism - India:**

Gone are the days when domestic tourism in India was synonymous with pilgrimages or visits to friends and relatives. Driven by rising incomes, an increased standard of living and improved land, rail and air transportation, more people go on domestic trips. Also, with improved information technology reaching all corners of the country, people have begun to take domestic trips more frequently. The Indian Railways have played a vital role in providing better connectivity as has the government's liberalisation and open skies policy, which led to the introduction of low cost carriers and which thus made domestic air travel affordable to a greater number of domestic tourists.

Domestic tourism has increased over the years with well over 500 million trips taken in 2007 at a growth by 13% over the previous year. The Ministry of Tourism in India has a target of 760 million domestic trips by 2011. In order to achieve this, the Ministry has taken steps to promote key aspects of various regions such as cultural diversity, scenic beauty, heritage and religious sites. In addition, new tourism products such as adventure and rural tourism products are also being promoted. To tap into the growing mass of middle-income consumers in India and their increasing level of disposable income, the Ministry of Tourism has also launched its Incredible India! campaign within India in both electronic and print media.

To promote sustainable and responsible domestic tourism, the Ministry of Tourism has launched various social awareness campaigns with themes such as “Awareness against Garbage and Graffiti on Monuments”. Other themes include “Pilgrimage”, “World Heritage Sites”, “Celebration of 2,550 Years of Mahaparinirvana of Lord Buddha” and “Yoga and Wellness”. The Ministry of Tourism recognises the need to develop quality infrastructure in order to encourage more domestic trips to locations all over India and to spread the benefits of tourism far and wide. In addition to state-of-the-art infrastructure and aggressive marketing campaigns, improved access to tourist sites and connectivity between them is essential. The Ministry has communicated specific proposals for the upgrading of roads to world heritage and Buddhist heritage sites in 15 key destinations. Connectivity is expected to be improved through the upgrading of roads to four lanes.

The Ministry of Railways has also been requested to explore the possibility of introducing tourist trains to connect to the specified destinations.

**State Tourism Boards** have also become very proactive in trying to attract a greater number of domestic tourists. State governments have made serious efforts to improve infrastructure and connectivity as well as travel accommodation and they have also initiated campaigns to attract domestic tourists and to improve visibility of their tourist attractions. “Go Goa”, “myHimachal” and “Kerala - God’s Own Country” are a few examples of the types of campaigns initiated by the Governments of Goa, Himachal Pradesh and Kerala.

The Kerala Home and Tourism Ministry has taken steps to promote **eco tourism, beach tourism and lake tourism** in Kerala in order to attract more visitors. This ministry has also approved the construction of several 5-star hotels in Kerala, which will provide up to 3,000 additional rooms and it plans to promote Muzhappilangad beach, which is one of the longest beaches in the country.

**Religious tourism** is an integral part of domestic tourism in India. Many renowned pilgrimage sites are spread all over India. Improved infrastructure and connectivity between them will enhance pilgrimage tourism. Agra is emerging as a religious spot with age-old shrines such as “Guru Ka Taal Gurudwara”, “Sher Jung” and “Abu Lala ka Dargah”. There are also new centers of faith, such as “Tirupati Balaji Temple” in Andhra Pradesh in southern India and “Sai Baba Temple” in Shirdi in western India, which are attracting religious tourists.

Domestic tourism is also being fuelled by changes in the lifestyles of urban Indians. There is an increasing trend of taking shorter breaks. Fast-paced lifestyles and increased workloads have prompted people to take frequent short breaks, which enable them to relax and rejuvenate themselves. Weekend trips to resorts just outside of large cities, or to nature spots in semi-urban/rural locations outside of cities are becoming more popular. In view of this, several investors have established private holiday homes, lodges and farmhouses just outside of the main cities in order to cater to the growing accommodation needs of these domestic tourists.

The following chart shows the growth in the number of domestic trips taken in India over the last five years ending 2007:

S. No.	Domestic Destinations	2007	2006	2005	2004	2003
1	Andhra Pradesh	141.81	114.37	84.71	77.37	73.17
2	Uttar Pradesh	123.78	118.79	114.22	99.33	88.18
3	Tamil Nadu	56.64	51.02	46.05	41.12	28.98
4	Karnataka	32.65	28.02	24.12	20.18	17.44
5	Rajasthan	24.46	18.53	12.09	11.30	10.68
6	Maharashtra	22.38	18.45	15.22	12.79	10.57
7	Gujarat	14.31	13.96	13.69	12.56	8.11
8	Bihar	11.55	10.31	9.53	8.87	8.68
9	Kerala	10.29	8.04	7.56	6.93	6.00
10	Jammu Kashmir	6.26	6.00	5.77	5.55	4.97
	<b>Top 10 Share</b>	<b>89%</b>	<b>87%</b>	<b>86%</b>	<b>85%</b>	<b>81%</b>
	<b>Other Domestic Destinations</b>	<b>56.73</b>	<b>55.90</b>	<b>54.69</b>	<b>50.64</b>	<b>58.35</b>
	<b>Total</b>	<b>500.87</b>	<b>443.40</b>	<b>387.66</b>	<b>346.63</b>	<b>315.12</b>

Source: Euromonitor International, November 2008

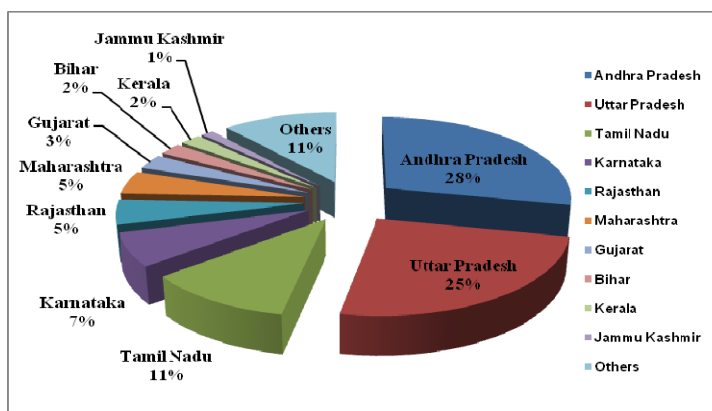
The number of domestic trips has increased from over 300 million trips in 2003 to just above 500 million trips in 2007. It is evident from above that the top 10 Domestic Destinations account for nearly 90% of the total domestic trips taken in India.

## Top 10 Domestic Destinations - India's Domestic Tourism 2007:

The following table gives the list of States in India which witnessed the most number of visitors in the year 2007:

Rank	Domestic Destinations	Domestic Destinations (in Millions) Year 2007	Share (in %)
1	Andhra Pradesh	141.81	28.31
2	Uttar Pradesh	123.78	24.71
3	Tamil Nadu	56.64	11.31
4	Karnataka	32.65	6.52
5	Rajasthan	24.46	4.88
6	Maharashtra	22.38	4.47
7	Gujarat	14.31	2.86
8	Bihar	11.55	2.31
9	Kerala	10.29	2.05
10	Jammu Kashmir	6.26	1.25
	Others	56.73	11.33
	<b>Total</b>	<b>500.87</b>	<b>100.00</b>

Source: Euromonitor International, November 2008



Trips to Rajasthan achieve the strongest growth, of 32% in 2007 while Andhra Pradesh remains the most popular domestic destination. In fact, all the states from the South of India appear in this top 10 list of which Andhra Pradesh, Tamil Nadu and Karnataka rank first, third and fourth respectively; Kerala stood ninth in the list. The rest is dominantly from the Central and West of India with Uttar Pradesh and Bihar being second and eighth respectively and Rajasthan being fifth followed by Maharashtra and Gujarat. Jammu Kashmir happens to be the only state from the North of India and no states from the East of India.

### Other Attributes of Domestic Tourism:

Though *Leisure* tourism accounted for a share of 77% of domestic trips, both domestic *Business* tourism and domestic *Leisure* tourism achieved same growth of 13% in 2007, driven by increases in disposable income and strong economic growth. *Land* was the most popular mode of transport for both domestic *Business* and domestic *Leisure* tourism in 2007 accounting for a share of 80% domestic trips in 2007 and it has achieved a growth of 13% in number of trips. Despite the emergence of low cost carriers, *Air* accounted for a very small share of less than 1% in 2007, primarily due to still cheaper bus and train fares, the connectivity and capacity of the *Road* and *Rail* is much wider and larger than that of *Air*. *Domestic tourism expenditure* increased by 17% in 2007 to over Rs1,387 billion. The most common method of payment was *Cash* and *Credit* with 58% and 24% of total expenditures respectively.

### Balance of Payments:

The Balance of Payments remained positive in 2007, however despite strong value growth in incoming tourist receipts, the high level of outgoing tourist expenditure resulted in the balance of payments remaining relatively similar to 2006. Owing to increases in disposable income and the fact that holidays to overseas destinations, such as countries in South-East Asia and Dubai, can cost less than domestic holidays, many Indians preferred to travel overseas in 2007, therefore outgoing tourist expenditure was not far behind incoming tourist receipts in 2007.

(Source: © and database right Euromonitor International PLC 2001/]; *Travel and Tourism in India*, Euromonitor International, November 2008)

### Government Initiatives and the success of 'Incredible India':

The Ministry of Tourism is the nodal agency for the development and promotion of Tourism in India with the following responsibilities:

- Formulating national policies and programmes
- Co-ordinating and supplementing the efforts and activities of various Central Government Agencies, State/Union Territories Governments

- Catalysing private investments
- Strengthening promotional and marketing efforts
- Providing trained manpower resources
- Developing infrastructure
- Conducting research and analysis

The Ministry of Tourism is headed by the Minister for Tourism & Culture. The administrative head of the Ministry of Tourism is the Secretary (Tourism). The Secretary also acts as the Director General (DG) Tourism. The Directorate General of Tourism has a network of 20 offices within the country and 13 offices abroad. The overseas offices are primarily responsible for tourism promotion and marketing in their respective areas and the field offices in India are responsible for providing information service to tourists and monitoring the progress of field projects. The Ministry of Tourism also controls a public sector undertaking, the India Tourism Development Corporation Ltd., and 4 other autonomous institutions.

Considerable share of the increase in FTAs in India can be attributed to the integrated international media campaigns launched by the Ministry of Tourism to promote India as a “must-see” destination under the name of ‘*Incredible India*’. The first marketing initiative of its kind, ‘*Incredible India*’ was conceptualized in 2002 by the Ministry of Tourism. The primary objective of this branding exercise was to create a distinctive identity for the country. This resulted in the iconic ‘*Incredible India*’ logo, where the exclamation mark that formed the “I” of India was used to great effect across all communications. The campaign is focused on both the generic and niche areas to convert India into a 365 days a year destination. The campaign successfully established India as a high-end tourist destination, generating more than 14% increase in tourist traffic in the first year.

Travel and tourism in India experienced another year of encouraging development in 2007. There was impressive growth in the number of domestic trips taken as well as in the number of arrivals and departures owing in part to aggressive international advertising and promotion through the Incredible India campaign. Both the central government and state governments have been pro-active in terms of marketing in order to showcase their various tourism products. Furthermore, niches categories such as medical tourism and adventure tourism is proving popular, which combined with improvements to infrastructure and the continued popularity of low cost carriers among other things, helped to boost travel and tourism in India.

(Source: [www.incredibleindia.org](http://www.incredibleindia.org); © and database right Euromonitor International PLC 200[/]; *Travel and Tourism in India*, Euromonitor International, November2008)

### **Indian Tourism - Related Sectors and Factors affecting Growth:**

Tourism is overwhelmingly an industry of private sector service providers and the public sector has a significant role to play in infrastructure areas either directly or through Public-Private-Partnership mode. It is primarily a multi-sectoral activity characterized by a multiple services provided by a range of suppliers. It is, in a way, quite similar to manufacturing industry, where the supply chain is as important as the end product. The related sectors include hotels, airlines, surface transport, basic infrastructure and facilitation systems environment, etc. For a developed tourism market all these sectors should be developed.

Growth in travel and tourism has wide-reaching effects. Various categories of travel and tourism have benefited from the growth evinced by travel and tourism in India. Players in hotels have experienced high rates of occupancy and room rates have increased in all categories of hotels. Travel accommodation was in short supply in all leading tourist destinations in India in 2007. In travel retail, travel agents have benefited from demand for new travel packages and new products as well as new destinations among increasingly demanding domestic tourists. Many travel agencies have also witnessed a sharp increase in demand for outbound tourism packages. New opportunities have also arisen to offer niche tourism products such as medical tourism, adventure tourism and spa tourism packages.

### **Travel Accommodation:**

Travel accommodation achieved dynamic retail value growth of just over 21% in 2007 to be worth well over Rs.589 billion in 2007. The number of travel accommodation outlets increased by 6% in 2007 to 37,578 outlets. Hotels achieved stronger growth in number of outlets, of over 9%, as well as stronger growth in number of rooms, of 8%, and stronger retail value growth, of 22%, than “other” travel accommodation in 2007. Strong occupancy rate leads to very high room rates in hotels

due to severe shortage of rooms in 2007. Travel accommodation is expected to achieve constant value growth at a CAGR of 14% and growth in number of outlets at a CAGR of 6% over the forecast period of 2007-2012.

Strong demand places Indian hotels among the world's costliest hotels. Increases in real estate pricing have made it difficult to develop new hotels in India. With supply lagging behind demand for hotels in 2007, room rental and occupancy levels continued to increase across the country. The average occupancy rate of all categories of hotels was about 70% in 2007. In Mumbai, Delhi and Bangalore 5-star hotels were among some of the costliest hotels in the world in 2007, which prompted various companies to hold corporate events in two-star or three-star hotels outside of these cities. Room rates in branded hotels are very high, therefore several unbranded hotels have emerged however these also command relatively high room rates. There is concern that if room rates continue to increase, they will become a deterrent to tourists, therefore there is expected to be some form of correction with regard to pricing in leading cities such as Mumbai, Delhi and Bangalore.

### **Transportation:**

Transportation achieved retail value growth of just over 14% in 2007 to be worth over Rs.1,440 billion. All categories achieved strong double-digit retail value growth in 2007; however low cost carriers achieved the most dynamic growth of 40%. Bus/coach accounts for the largest value share, of 51%, of transportation in 2007 due to the large base of travellers attracted by low cost fares and strong connectivity. Transportation is expected to grow by a constant value CAGR of 8% over the forecast period to be worth over Rs.2,148 billion by 2012.

**Low Cost Carrier Development** - Air transportation in India was not very popular until the recent past, as air was grossly underdeveloped and there was a legacy of decades of governmental mismanagement and protectionist policies. However, the aviation industry in India benefited from liberalisation, which led to the entry of private airlines including low cost carriers. As part of the liberalisation initiatives in 2007, airlines that had been in operation on domestic routes in India for more than five years were permitted to fly on international routes. Therefore, meaning that Indian low cost carriers were also able to fly on short haul international routes. Also, rather than just limiting their range of destinations to major cities, low cost carriers have developed connections to various Tier II cities in India and in leading destinations such as Singapore and Malaysia. Infrastructure within air is still in the process of rapid upgrading in order to cope with the rapid increases in air traffic. Main airports such as Mumbai and Delhi underwent renovation so was Hyderabad and Bangalore, while airports in other leading cities such as Chennai and Kolkata are due to receive upgrading.

Low cost carriers are expected to enable many more middle-income Indians to fly, as they offer flights to various destinations at very affordable fares and this in turn is expected to have a very dynamic effect on the number of seats sold in air. The presence of existing low cost carriers and the entry of more low cost carriers are expected to lead to increased competition and to put downward pressure on airfares among scheduled carriers, as they are forced to try and remain competitive while ensuring their level of profitability.

**Car Rental** - Car rental achieved retail value growth of nearly 29% in 2007, to be worth over Rs.10 billion. Both business car rental and leisure car rental achieved strong retail value growth in 2007, of over 29% and of 27% respectively. Non-airport business car rental emerged as the most dynamic performer in car rental with retail value growth of nearly 30% in 2007. Average value per transaction grew by 8% in 2007 due to increased demand for car rental.

### **Travel Retail in India:**

Travel retail performed well in 2007 as travel retail products achieved value growth of over 20% and the number of travel retail outlets grew by 4%. Traveller's Cheques achieved the strongest value growth in travel retail products, of 28%, in 2007, albeit from a small sales base. Continued growth of travel and tourism in India expected to boost travel retail over the forecast period of 2007-2012, thus travel retail products are expected to grow by constant value CAGR of 15% and travel retail outlets expected to grow by a CAGR of 4%.

### **Tourist Attractions in India:**

Tourist attractions achieved retail value growth of nearly 15% in 2007 and number of visitors grew by nearly 13%. Concerted effort on the part of the Indian government to boost both domestic tourism and inbound tourism benefits tourist attractions. Theme/amusement parks achieved strongest retail value growth in tourist attractions, of nearly 17%, in 2007. Average ticket price increased marginally from just below Rs.29 in 2006 to just over Rs.29 in 2007.

### **Online Sales:**

The strong growth of the internet in India has led to an increase in online sales of travel products, particularly low cost carrier tickets and the majority of internet transactions are through direct providers. Nevertheless intermediaries are growing in importance. Key intermediaries in India are makemytrip.com, yatra.com, travelguru.com and travelmasti.com, among others. Indian consumers are still hesitant about dealing with small intermediaries and about making payments over the internet. Increased penetration and usage of the internet is expected to help low cost carriers to save on costs by offering online tickets and thus bypassing intermediaries. The internet has become a strong source of information regarding travel products and destinations and it has helped many people to make travel plans more easily. Thus as consumer confidence in making payments over the internet increases the potential of online sales of travel and tourism products will increase.

### **Terrorism & Security:**

There has been public concern for safety in India due to terrorist activities like the terror attacks in the city of Mumbai on November 26, 2008 at prime locations flocked by foreign tourists and in the form of insurgency by organisations such as the United Liberation Front of Assam and the Harkat ul Mujahideen in some parts of India such as Kashmir, Jammu, north-eastern states, parts of Rajasthan and even Delhi and Mumbai. However, the government's sustained and comprehensive attempts to address terrorism issues have helped to create a more peaceful social environment. For example, the government - State governments and the Central government, handled the 26/11 issue quite diplomatically and succeeded in bringing normalcy. It also entered into dialogue with terrorist organisations and this has helped to improve communication and to reduce tension in areas that are prone to terrorist activities. The government has also become more vigilant, deploying more state reserve forces and special tourism police to ensure a safe environment for everyone, for example there was increased deployment of tourism police in airports, railway stations and in key tourist destinations to ensure the safety of tourists. The government's efforts are expected to help maintain and even to further increase the confidence of travellers.

### **Government Initiatives:**

As the development of travel and tourism is a priority for the government, it is committed to developing this further. It has a comprehensive network of agencies to plan and implement sustainable tourism, such as central and state governmental bodies, private sector organisations, non-profit making organisations and even international funding organisations. In addition the government plans to make members of the local community more involved in the development of local sustainable tourism projects. Sustainable tourism is expected to become the most effective means of preserving nature in India. The revenue generated under specific projects is expected to continue to be invested in the community and in various tourist sites in order to maintain the appeal of those sites and to attract more tourists.

### **Emerging Niche Travel & Tourism Segments:**

There are various niche categories of travel and tourism as discussed below in detail that are proving popular in India.

**Health & Wellness Tourism** in India has very high growth potential among overseas tourists due to the very high standard of medical treatment in India at very affordable prices compared to countries such as the US and the UK. Thus, India happens to be one of the most preferred destinations for **Medical Tourism** in the world. Health & Wellness Tourism achieved retail value growth of 20% in 2007 to be worth Rs.18.1 billion. **Spa Tourism** achieved stronger retail value growth, of nearly 23%, than "other" Health & Wellness Tourism in 2007 and destination spas achieved the strongest retail value growth of 31%. Medical visas (M-Visa) were introduced in 2007 for foreign tourists who plan to travel to India for treatments. Furthermore, Medical Tourism has also become a point of focus for the Ministry of Tourism and it has promoted public and private partnerships. Large private medical companies such as Apollo, Escorts Heart Institute and Breach Candy Hospital Mumbai are focusing on developing medical tourism.

**Rural Tourism** is a form of tourism that showcases rural life, art, culture and heritage, thereby benefitting the local community economically and socially. It also facilitates interaction between tourists and the locals to create an enriching tourism experience. Multi-faceted and experience-oriented, rural tourism entails **Farm/Agricultural Tourism, Nature Tourism, Adventure Tourism and Eco-Tourism**. In a bid to encourage this kind of tourism, each state government has to furnish a proposal for the promotion of rural tourism. Based on a joint inspection by the Department of Tourism and the state governments, ten proposals will be identified for implementation in the country. On being shortlisted, the state

governments would be mandated to draw up a detailed plan of action, aimed at converging the different schemes of the Government of India and the state governments. Monetary assistance of up to Rs.50 lakh would be sanctioned to implement the scheme, while a maximum of Rs.3 lakh would be provided for the state government for engaging an expert to prepare the project report.

A Convergence Committee is set up under the Collector to oversee the execution of the project to be entrusted to any central / state government agency. Funds would be released directly to the implementing agency by the Government of India as recommended by the state government. Activities taken up under this scheme aim at improving rural environment and infrastructure, by way of activities such as landscaping, development of parks, fencing, development of roads within Panchayat limits, illumination in the village, upgrading solid waste management and sewerage management systems, and construction of wayside amenities. It may also include equipment related to water or adventure sports and refurbishment of monuments, signages and tourist accommodations. (Source; Legalese, *The Economic Times* dated July 14, 2009)

**Adventure Tourism** also has strong growth potential due to the vast variety of locations and activities, for example mountaineering in the Himalayas, water sports in Kerala and Goa and desert safaris in the desert region of India among others. There are also other niche categories, which remained very small so far but which possessed the potential to develop into strong niche categories. These included **Eco Tourism**, **Religious Tourism** and **Spa Tourism**. The strong presence of Ayurvedic treatments and the wide choice of pristine locations in which to establish spas are expected to boost Spa Tourism. Adventure Tourism is expected to help boost the development of specialist travel agencies and tour operators and new tourism centers.

**Eco Tourism** is expected to become more prominent especially in states such as Kerala and in northern states such as Uttaranchal, with the Himalayan mountain range. More travel agencies are expected to specialise further in Eco Tourism by obtaining specialist eco tourism licenses and by designing eco tourism tours such as desert tours and rainforest tours. All travel package and tour providers are expected to benefit from increased demand when heritage sites and natural reserves are well protected, as this will attract more tourists.

**Tea Tourism** in India is fast catching on popularity with more and more tourists making their way to the lush green tea estates of India. Speaking of tea cultivation in India, it has been flourishing since the British colonial times when Robert Bruce chanced upon tea plants growing wild in the state of Assam that is famous as the birthplace of Indian tea. Today, India boasts of three major regions - Assam, Darjeeling and Nilgiris - that produce some of the finest teas in the world. India is the largest producer of tea and contributes around 32% of the total global output. Tea tours to India will not only take the tourists around luxuriant plantations around the country but will also give them the perfect opportunity to know all about its history and commercial importance. Indian Tea Tourism as they say is India's answer to what Europe calls **Wine Tourism**. In fact, considering that many new world wine countries have tried the wine train experiment, even Canada, either as a seasonal or permanent attraction, Wine Tourism would be an option that India can see many urban dwellers taking to. Nashik is not far from Mumbai and there are trains galore already running between the two places. That would bring tourism to the area, popularise a growing industry in Maharashtra (viticulture) and also offer yet another international style travel option right here in India.

Like such **Theme-based Tourism** there is **Event-based Tourism** which has become popular lately. For the longest **Solar Eclipse** of the 21st century on 22<sup>nd</sup> July 2009, travel companies in India sold travel packages through which one can watch the eclipse flying above the clouds in Gaya, or learn about the phenomenon from experts on the Ghats of Varanasi or even fly to China, ride the Maglev, attend a workshop and then get down to business in the city of Anqing. It will take off from New Delhi, fly towards and hold over Gaya till the eclipse time. The aircraft is to intercept the middle of the eclipse shadow at a height of 41,000 feet.

More importantly, the **Commonwealth Games 2010** are expected to lift the Indian Tourism Industry. The Government of India in collaboration with the Ministry of Tourism and Archaeological Survey Of India (ASI) has plans to launch special programme '*Discover India in CWG 2010*' and for same must they are supposed to organize road shows in Australia, South Africa, US, Singapore, Canada, Mauritius etc. as tourists arrival in India is expected to be more from these countries. Since the Common Wealth Games are scheduled to be held in the India's capital city – Delhi, the government has come up the new development plans to change the look and feel of the city, for the better. Further the new project have come up to discover new heritage, religious, adventurous tourists sites in the northern states of India bordering Delhi including the Punjab, Uttarakhand, Uttar Pradesh, Haryana and Rajasthan. All the athletes would be offered free accommodation, security, a pollution free environment, free transportation and entertainment options for the non competition times. They

will be offered a free trip to the famed Taj Mahal – the 'Seventh Wonder of the World' clubbed with the other heritage sites such as the Fort, Fatehpur Sikri, Sikandra Itmad-ul-Daulah's Tomb, Chini Ka Rauza, Ram Bagh, Soami Bagh / Dayal Bagh and many more. Apart from that other major tourists spots in India including the Shimla, Jhansi, Kerala Backwaters, Goa beaches, Andaman and Nicobar Islands, Rajasthan Forts and Palaces, Dehradun, Haridwar, Ranikhet, Himalayas, Punjab etc are likely to attract large number of foreign tourists in the year 2010. Medical and Ayurvedic sectors will also be equally beneficiary during the commonwealth games in view of India's popularity in ancient tradition of yoga and Ayurveda and the availability of low cost medical treatments in India. Tour agents in India are opened with the new travel deals for 2010 Common Wealth Games for the foreign tourists.

#### **Consumer Demographics & Lifestyles play in favour:**

India has a very large population of over 1 billion people and a very large part of the population is comprised of middle-income consumers. Owing to strong GDP growth over the years, Indian consumers benefited from increases in their level of disposable income, which in relation to travel and tourism benefited middle-income consumers the most, as it has enabled them to travel more frequently and to spend more on tourism. Although family travel is the norm in India, men account for the largest share of travellers, many of them being business travellers and some being individual or group travellers. Female travellers, individually and in groups are culturally frowned upon, thus the share of female travellers is lower. 35-to-49-year-old people accounted for the largest share of holiday takers in India in 2007 and this group of holiday takers was comprised mainly of leisure tourists. The number of 15-to-34-year-old holiday takers have increased over the years due to increases in the level of disposable income and improved lifestyles.

**Demand for both domestic trips and outbound travel is expected to increase strongly** due to affordability and changing attitudes among Indian consumers as they become more willing to spend their disposable income on “premium” travel products. This is also expected to prompt further change in the type of travel products and destinations that travellers demand. As Indian consumers become more demanding and more discerning about the travel products that they purchase, travel retailers will need to provide superior information, products and services in order to appeal to them and this will create a need for more creative and affordable packages.

*(Source: © and database right Euromonitor International PLC 200[/]; Travel and Tourism in India, Euromonitor International, November2008)*



## OUR BUSINESS

### Overview

The Cox and Kings brand has evolved through over 250 years of history and today is one of the recognised holiday brands that cater to the overall travel needs of an Indian and International traveller. Cox and Kings (India) Limited has won several awards and recognition including in the following recent ones:

1. “India’s Top Rated Tour Operator – Outbound” by the Economic Times & Travel Agents Association of India Travel Awards 2009
2. “Best Domestic Tour Operator” by TAFI-abacus Awards for Business Leadership in Tour Operating (2009)
3. “Best Inbound Tour Operator” by TAFI-abacus Awards for Business Leadership in Tour Operating (2009)
4. “TravelBiz Monitor Most Innovative Product Launch” by TAFI-abacus Awards for Business Leadership through innovation in Travel (2009)

We serve as a One Stop Shop for all travel and travel related products.

Our business can be broadly categorised as Leisure Travel, Corporate Travel, Forex and Visa Processing. We design travel packages for both individuals and groups for their domestic and international leisure travel. We make travel arrangements for corporate clients to cater to their business meetings, conferences, events and as an incentive for their employees and business partners. We provide end to end travel solutions including land, air and cruise bookings, hotel bookings, in-transit arrangements, local sightseeing, visa, passport and medical insurance assistance and such other destination management services. We also provide value added services viz., customising travel plans for our NRI customers, travel arrangements for Trade Fairs, providing private air charter services, etc. Besides, we offer travel related foreign exchange & payment solutions. In fact, we are one of the first travel companies in India to be granted a license as an Authorized Dealer - Category II under the new licensing regime.

Within Leisure Travel we have three sub-segments i.e. Outbound Travel, Inbound Travel and Domestic Travel. Our Inbound Travel business represents destination management services that cover all aspects of ground tour arrangements required by tour operators across the world. Our Domestic and Outbound Travel businesses include selling holiday packages for travel in India and overseas respectively. Under Corporate Travel we offer a full range of business travel services through a team of dedicated relationship managers. We offer customized business travel solutions for corporate clients with an endeavour to optimize their travel budget.

We continuously innovate our product offerings with the flexibility to meet the changing needs of our customers and to address their needs better. This also helps us to differentiate our products *vis-a-vis* the products offered by our competitors. Thus, over the years we have developed specific brands for our products viz. “**Duniya Dekho**” for Outbound Travel, “**Bharat Deko**” for Domestic Travel and “**FlexiHol**” for our Flexible Individual Travellers (FIT). We believe that our success in branding our products has created more awareness amongst travellers and has also helped a traveller in distinguishing and identifying our branded products.

In India, we have 255 points of presence covering 164 locations through a mix of branch sales offices, franchised sales shops, General Sales Agents (GSAs) and Preferred Sales Agents (PSAs). We have 14 branch sales offices located in Mumbai, New Delhi, Chennai, Kolkata, Bangalore, Hyderabad, Ahmedabad, Jaipur, Kochi, Pune, Nagpur and Goa. Besides, we also operate through our 56 franchised sales shops spread across India to have larger access to our customers. Further, we have an extensive network of 185 GSAs and PSAs covering all major towns and cities of India. GSAs / PSAs are those agents who sell only our products through an exclusive tie-up with us.

We have global presence with our operations in 19 countries besides India through our subsidiaries, branch offices and representative offices. We have our subsidiaries in UK, Australia, New Zealand, Japan, US, UAE, Singapore and Hong Kong. We also operate from Moscow (Russia), Maldives and Tahiti through our branch offices and Spain, Sweden, Germany, Italy, France, Taiwan, South America and South Africa through our representative offices. Further, we have presence in overseas markets through a network of GSAs and PSAs covering other countries enhancing our global presence. Our global reach and passion for travel uniquely position us to offer multiple travel choices and value for our products.

We are shareholder member of Radius Inc, which is a consortium of leading travel agents around the world. On the international map, Cox & Kings have its presence also through these 90 Radius members from more than 80 prominent countries across the globe with over 3,600 locations.

Our widespread presence can be a huge advantage for our customers. Our close proximity to our customers means faster service delivery and more personalised attention. Besides our offline access, we are also available online through our websites. These websites primarily offer an additional channel of reaching out to our existing and potential customers which are regularly updated with features of our product offerings.

We have made few acquisitions in the recent past in our quest to spread our global reach. We continuously evaluate inorganic opportunities that has strategic fit for our businesses, to foray into certain geographies and to consolidate our sourcing needs thereby leading to cost savings.

In March 2006, we acquired the entire shareholding of Clearmine Limited, a company incorporated in the UK. ETN Services Limited is a wholly owned subsidiary of Clearmine Limited and it carries out destination management services for our tours to Europe and also inbound tours in Europe for other tour operators. In September 2007, we acquired the entire shareholding of Cox & Kings Limited based in UK and took over 41.17% of the share capital of Cox & Kings (Japan) Limited. Cox & Kings Travel Limited, a wholly owned subsidiary of Cox & Kings Limited, is an outbound specialist tour operator and caters to leisure travel market of Europe. Cox & Kings Travel Limited and Cox & Kings Tours LLC holds 33.33% and 25.50% respectively of Cox & Kings (Japan) Limited. Cox & Kings (Japan) Limited is a dedicated wholesaler of products and services to other tour operators. It also offers ground handling capabilities in select geographies.

Fiscal 2009 proved quite historic for us as we forayed into businesses with huge growth potential and synergic benefits to our existing operations and strengthened our presence in geographies like Australia and New Zealand and now in US.

We acquired Quoprrro Global Services Pvt. Ltd. and forayed into the business of visa processing. Globally visa processing activities have been concentrated amongst few players and through this acquisition we would explore the potential in this business. In September 2008, we got an approval from The High Commission of India at Singapore for outsourcing their visa processing activities to us. Recently, we got further in-principle approvals from the diplomatic missions of India at Athens, Greece and at Hong Kong for outsourcing their visa processing activities to us.

In December 2008 we formed a Joint Venture with IRCTC under the name of “Royale Indian Rail Tours Limited” to operate a luxury train to be called “*Maharajas’ Express*”. The combined strength of IRCTC in rail based tourism and hospitality and ours in high-end international tourism, would make this a state of the art luxury train. While IRCTC will be involved in the operations, we will leverage our overseas offices to market the product globally.

During this fiscal, we acquired Tempo Holidays Pty Ltd. based in Australia with its wholly owned subsidiary Tempo Holidays NZ Ltd. in New Zealand. Since significant business of Tempo Holidays is in European countries, consolidating our ground handling capabilities therein with ETN Services Limited will result in adding to our existing buying power and thereby resulting in significant savings to the group. We also recently completed acquisition of East India Travel Company Inc., which is in the business of selling upmarket tour and travel packages in the US. These inorganic initiatives will fructify in spreading our reach across the globe reinforcing us as an established global player.

We believe we continuously endeavour to propel our growth by identifying opportunities both organically and inorganically. This helps us to add more customers each year and better our service standards by providing customers with a wide choice of products and flexibility to meet their changing needs. For the three months period ended June 30, 2009 and for the year ended March 31, 2009, 2008 and 2007 our total income as per our consolidated financials was Rs. 1159 million, Rs.2936 million, Rs.1883 million and Rs.994 million respectively. Our restated profits after tax for the same period as per our consolidated financials was Rs. 406 million, Rs.628 million, Rs.426 million and Rs. 297 million respectively.

## **Our Competitive Strengths**

### ***Brand Equity***

Our brand has evolved over a period of 250 years and is one of the oldest brands in the Travel & Tourism industry today. “Cox & Kings” was ranked #1 Top Brands in India and ranked 152 amongst Top 1000 Brands in the Asia Pacific region. The ranking is based on a survey conducted by a research agency TNS and co-funded by Media magazine across the markets of 10 countries in the Asia Pacific. We are recognized as a brand both locally and internationally.

The tour-operator industry is dependent on brand awareness and recall in the long run as customers need to believe in the capabilities of the operator to provide quality services and that their products will lead to a satisfied experience even before they have approached the service provider. Our brand equity is reaffirmed in our services and awards and recognition we have received for it. It is here that we believe our brand which we have built over the years, plays an important role in getting people to trust in our ability to serve them well. We believe that our biggest asset is the trust and the comfort that our clients have in us. Various awards have been conferred upon us over the years and this is testimony to the acknowledgement of our services in the Travel Industry.

For details on our past awards and acclamations kindly refer to the sub-section “Past Awards and Recognition” under the chapter titled “Our Business” beginning on page 76 of this Red Herring Prospectus.

### ***Management Team***

We are led by an experienced management group that has worked and has been associated with the travel industry for many years and has the required skill, expertise and vision to continue to expand our business in new markets. Our management team includes Mr. Ajay Ajit Peter Kerkar who has been with the company for more than 15 years. Mr. Ajay Ajit Peter Kerkar has an in-depth understanding of the travel industry. He was the founder, director of the World Tourism Council for the Indian sub continent. Ms. Urrshila Kerkar has been with the company for more than 10 years. Under their direction and guidance the Company has grown both organically and inorganically. Both Mr. Ajay Ajit Peter Kerkar and Ms. Urrshila Kerkar are Promoters and Executive Directors of our Company.

Our Company is managed by Directors who are qualified and have wide experience in their respective fields. The Board of Directors is supported by a team of professionals with several years of relevant experience and have been instrumental in the growth of our organization. Our management team provides strategic leadership and direction to explore new emerging opportunities as well as constantly improve our current operations.

For details on our senior management resources including their qualification and experience kindly refer to the chapter titled “Our Management” beginning on page 132 of this Red Herring Prospectus.

### ***Product Spectrum***

We believe in offering complete travel solutions and serve as an integrated provider of all travel and travel related products. Our wide choice of product offerings caters to all the travel needs of an Indian and International traveller. We provide a ‘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.

Besides, our constant innovation in our product offering and flexibility to meet the ever changing needs of our customers, are some of the key differentiating value propositions that has enabled us to grow the sale of our holiday packages. It has helped us to differentiate our products vis-a-vis the products offered by our competitors. We believe that our success in branding our products has created more awareness among travellers and has also helped a traveller in distinguishing and identifying our branded products viz., “*Duniya Dekho*”, “*Bharat Deko*” and “*FlexiHol*”. Besides, our global reach and passion for travel uniquely position us to offer multiple travel choices and value for the products we sell globally.

Besides, we are in the process of rolling out a pan-India luxury train under the brand ‘*Maharajas’ Express*’ through a joint venture with IRCTC. The potential of luxury train-based tourism in India is significant and we believe that these initiatives will leverage our business extensively. We have further expanded our offerings to include outsourcing of visa processing

services for diplomatic missions. Globally visa processing activities have been concentrated amongst few players and through this foray we would explore the potential in this business.

For details on our travel products and service offerings kindly refer to the chapter titled “Our Business” beginning on page 76 and the product profile snapshot therein of this Red Herring Prospectus.

### ***Geographical Presence & Reach***

We have global presence with our operations in 19 countries besides India through our subsidiaries, branch offices and representative offices. Our global reach and passion for travel uniquely position us to offer multiple travel choices and value for our products. In India, we have 255 points of presence covering 164 locations through a mix of 14 branch sales offices, 56 franchised sales shops and a mix of 185 General Sales Agents (GSAs) and Preferred Sales Agents (PSAs). The domain knowledge from our branch sales offices and franchised sales network has enabled us to successfully scale up our tourism business in India.

Our representatives have an in depth knowledge of the local market they operate in and we periodically update them with regards to the services and the kind of arrangements and products we have to offer to our customers. Our wide network of overseas branches, representative offices and agents gives us access to important geographies and markets and help us set our feet firmly in the offline travel industry. Besides we have a wide network of dedicated ground operators functioning in different countries that offer better options to customers as per convenience and budget to maximize their travel experience. Also, as a member of Radius Inc, a global travel company, we are connected with a network of 90 Radius members from more than 80 prominent countries across the globe with over 3,600 locations and service clients originating through them within India.

### ***Skilled & Quality Staff***

Our Company operates in service industry wherein the biggest asset of the Company is the quality of its human resources. We attach great importance to our well knit motivated team of committed people. They provide the customer interface and are always aligned to the customers’ requirements, which reflect our standards of service quality. We have built a team of experienced, skilled and efficient personnel having in depth knowledge of the business and unspoken passion to promote our products. They are important components in contributing to the productivity of our business. We utilize a competitive compensation structure for our managerial personnel and staff, and we believe this structure helps us attract and retain our managerial personnel. We have dedicated and experienced management teams for the execution of special assignments, as well as for human resources, operations, quality management, and our international business. We also have regular training programs for our staff and management personnel.

For more information on our key managerial personnel kindly refer to the sub-section “Key Managerial Personnel” under the chapter titled “Our Management” beginning on page 132 of this Red Herring Prospectus.

### ***Technology Infrastructure***

We deploy efficient information technology platforms in the Indian Travel Industry. We have developed a totally integrated front, mid and back office solution. We have developed and implemented a comprehensive central reservation engine for our travel products and services. Our web enabled centralized dynamic packaging system, covering all travel related services – air tickets, hotel reservations, car rentals, cruises, rail bookings, insurance, package tours and holidays, enables individual, corporate clients and agents worldwide to include all products and services which they want on a real time basis. Our booking engine, built on high performance technology, is quick in delivering real time business information. Our sophisticated CRM (Customer Relationship Management) System is designed to analyze customer needs for better servicing and ensure repeat business for us. It generates reports identifying areas of opportunity and thereby helps us in customizing to improve the efficiency of our products. On the front end, we also have a 24 X 7 dedicated call centre with apt technology infrastructure and manned with well informed and efficient executives to address to the customer requirements including complaints if any.

For more information on this kindly refer to the sub-section “Technology Initiatives” under the chapter titled “Our Business” beginning on page 93 of this Red Herring Prospectus.

## **Our Business Strategy**

### ***Acquisitions – Inorganic Initiatives***

We believe we continuously endeavour to propel our growth by identifying opportunities both organically and inorganically. This helps us to add more customers each year and better our service standards by providing customers with a wide choice of products and flexibility to meet their changing needs.

After our recent acquisitions in Australia and the US, we seek to further enhance our position globally. We can get ready access to newer markets / geographies and augment our product / service offerings through strategic acquisitions. Thus, we continue looking at inorganic growth and may consider consolidating our market share through acquisitions if targets provide a strong strategic fit at a reasonable price. Our strategy will be to focus on up-market long haul tour operators whose product offerings include the Indian subcontinent and who complement our existing worldwide product portfolio. This will enable us to consolidate our sourcing needs, giving us better buying power and yield cost savings. This will fit into our strategy of offering both outbound and inbound services to our clients in each of the destinations that we operate in. Our growth strategy involves gaining new clients and expanding our service offerings, both organically and through strategic acquisitions of companies, which have expertise in the domain in which they operate and which also have a good client base. This would increase the pace of our growth, thereby enabling us to secure a higher volume of business.

### ***Better Reach & Spread***

We are focused on extending our network infrastructure in both domestic and international locations. We intend to improve domestic penetration through the exclusive franchised shops. A franchisee model is a business arrangement where the franchisee has the licensed right to own and operate the business based on our business concept and use our brand name. In this we provide start up help in terms of training, site development, advertising and marketing support. The franchisee is branded as a Cox & Kings shop and sells only our products. It is a one stop travel shop that provides all travel related services under one roof, making travelling more simple for the customers.

### ***Online Presence***

The online travel market in India is in a nascent stage and offers tremendous growth potential. Having firmly set foot in the offline market, we have also created our space in the online arena with our existing website [www.coxandkings.com](http://www.coxandkings.com). This primarily offers an additional channel of reaching out to our existing and potential (users) customers which are updated regularly to feature our products and innovations. We offer various options to the customer giving him the flexibility to customize the holidays as per his choice. The website offers complete travel solutions offering the user a choice to purchase any item from an airline ticket, hotel accommodation, logistic support, to a complete tour package. The website also offers users a choice to purchase any combination of the above and also design their own holiday. We believe that with the rise in the number of internet users and better acceptability of the internet as a convenient medium for making travel related purchases, we are well positioned to capture a whole new client base.

### ***Focus on Outbound & Ground Handling Capabilities***

Our Outbound Travel business assumes significant share of our total revenues and continues to remain our focus going ahead. We believe that there is considerable growth opportunity in the outbound tourism segment in India. A buoyant economy, rise in disposable incomes, coupled with rising aspirations ensures this segment is poised for growth. Also with travel getting cheaper there will be an increase in the number of people opting to travel outside India. We believe we are well positioned to exploit this segment with our flexible products and will continue to offer a comprehensive range of travel contents to the consumer with attractive pricing. We have been selling our outbound tour products covering destinations such as Europe, the US and the others. We are in the process of expanding and setting up of ground handling activities overseas through our overseas subsidiaries and branches. These ground handling activities would cater to our outbound customers in the first phase, thus enabling cost reduction and better-personalised services for outbound clients.

**Bulk buying advantage**

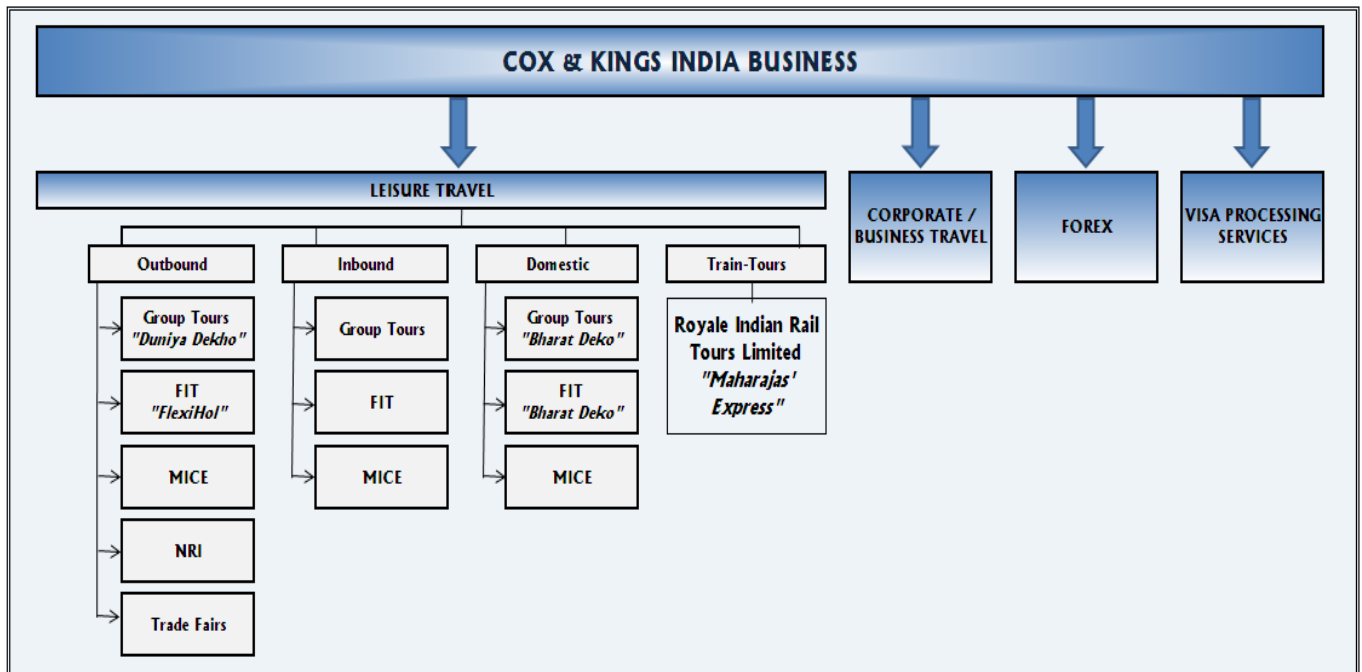
Growing business volumes will give a better bargaining power to make bulk bookings for air travel, hotel accommodations, car rentals and ground handling. This will enable us to offer competitive packages to our customers and clients, thus attracting traffic in the long run. The expected growth in business volumes from further domestic and international operations will provide incremental operating leverage that could be used in turn to offer competitive packages to our customers.

**Strategic Initiatives – expansion of Product Offerings**

We continuously evaluate ideas that strategically fit our existing business and expand the products and services that we offer to our customers. Recently we forayed in visa processing services for diplomatic missions. Globally visa processing activities have been concentrated amongst few players and through this foray we would explore the potential in this business. We are also in the process of rolling out a pan-India luxury train under the brand ‘Maharajas’ Express’ through a joint venture with IRCTC. The potential of luxury train-based tourism in India is significant. We believe that such initiatives will leverage our growth extensively and will help us to increase our market shares in the business in which we operate.

**Our Business Model and Product / Service Offerings:**

**- INDIAN OPERATIONS**



We can describe our travel business under two broad heads viz., Leisure Travel and Corporate Travel. Within Leisure Travel we have three sub-segments i.e. Outbound Travel, Inbound Travel and Domestic Travel. Our Inbound Travel business represents destination management services that cover all aspects of ground tour arrangement required by tour operators across the world for the tourists visiting the Indian sub-continent. Our Domestic and Outbound Travel businesses include selling holiday packages for travel in India and overseas respectively. Under Corporate Travel vertical we aim at making business trips more convenient and cost effective with our enhanced customer service coupled with faster service delivery and more personalized attention.

We continuously innovate our product offerings with the flexibility to meet the changing needs of our customers and to address their needs better. This also helps us to differentiate our products vis-a-vis the products offered by our competitors. Thus, over the years we have developed specific brands for our products viz. “*Duniya Dekho*” for Outbound Travel, “*Bharat Deko*” for Domestic Travel and “*FlexiHol*” for our Flexible Individual Travellers (FIT). We believe that our success in branding our products has created more awareness amongst travellers and has also helped a traveller in distinguishing and identifying our branded products.

## A. Leisure Travel

The leisure travel market in India is highly fragmented. We are amongst the large players in the segment of leisure travel. We offer products that are either pre-packaged through brochures or tailor-made as per the requirements of a group and an individual traveller. Leisure Travel can be Outbound, Inbound or Domestic. We were amongst the only few travel organizations to brand its Outbound and Domestic Tours. Leisure Travel contributes majority of our total business and earns us relatively better margins.

### ➤ *Outbound Travel*

Again within Leisure Travel, Outbound Travel is the largest contributor to our total business and we strongly believe that there is considerable growth opportunity for us in this segment. Outbound tourist refers to Indian Nationals travelling out of India. Under this segment, we offer holiday packages where the traveller enjoys all the comforts and convenience of a planned holiday but at the pace and price that is set by him. We design our own products under exclusive arrangements with direct suppliers and local agents across the globe to cater to the travel plans of both group travellers and Flexible Individual Travellers (FIT). Our packages also include various services like air tickets, visa, travel insurance, airport transfer, hotel accommodation, sightseeing, etc.

We design and market escorted tours to group travellers under one of our flagship brand “*Duniya Dekho*”. These are ready made packages where a group of travellers is escorted by a tour manager. The customer chooses a specific tour from the array of choices offered to suit his budget and preferences. This specific product brand is developed to reflect the quality of our offerings and “value for money” travel to our customers. Likewise, we sell tailor-made packages based on individual requirements of more discerning FIT customers under a brand “*FlexiHol*”.

FIT can make its “*FlexiHol*” travel plans by selecting its travel destination and holiday option (ranging from romantic holidays, exotic cruises, family vacations, etc.), identifying travel interest (i.e. explorer, family, romance or explorer) and sharing his preference of sightseeing, airline and hotels. Our major outbound travel destinations for FIT include Europe, Australia and New Zealand, USA and Canada, Far East and South East Asia. In “*Duniya Dekho*” we recently launched a series of premium group holidays – “Luxury Escapades” with travel destinations like Europe, Latin America, Middle East, Far East and Africa.

Our Company offers outbound tour packages across approximately 55 countries. Our Outbound Travel business is offered through our offices, franchised shops and our network of GSAs and PSAs across India and online through our website [www.coxandkings.com](http://www.coxandkings.com). We also represent and retail many international third party products including Cosmos, Star Cruises, Rail Europe, Musee Grevin (the Wax Museum in Paris, France), etc.

### ➤ *Inbound Travel*

Inbound Travel business promotes India as a tourist destination. We provide destination management services for any tour operator across the world for the tourist visiting India. We cover all aspects of ground tour management such as hotel bookings, air/ rail ticketing, roundtrip, airport transfer, land arrangements, excursion planning, meet and greet services, event planning, meetings and appointments, conference management, private air charter, etc. These services are procured from providers of these services like hotels, airlines, transporters, guides etc. within India.

We also provide specialised services to foreign participants visiting India for international meetings, conferences, ad hoc incentives and exhibitions and cater to domestic conferences and corporate incentives as well. Additionally we provide ground related services to international cruise companies touching Indian shores with a provision for shore excursions.

Our global presence through our subsidiaries, branch offices and representative office helps us source significant inbound business. We carry out the entire destination management activities for all tours with destinations in Indian sub-continent originated from our subsidiaries in UK, Australia, New Zealand, Japan, US, UAE and Singapore. We have our inbound business also being originated from our overseas branches in Moscow, New York, Maldives and Tahiti.

Our representative offices make presentations to local tour operators / agents in different geographies, primarily selling India as a preferred destination. If the agent / tour operator is interested in our products and requests for a proposal, they are directed to us by the representative and our staffs in India gets in touch with them with our product offerings and take it forward towards deal closure. Currently we have representative offices in Spain, Sweden, Germany, Italy, France, Taiwan, South America and South Africa.

We enter into business arrangements with the foreign tour operators for servicing their customers when they arrive in India. Inbound travellers handled by our Company are primarily from Europe and USA. We are a well known travel brand and a tour specialist for Indian subcontinent in the overseas market.

#### ➤ *Domestic Travel*

Domestic tourism in India has been on the upswing with domestic tourists growing from over 300 million trips in 2003 to over 500 million trips in 2007. These domestic travellers sustain the travel and tourism business within India. Domestic business travel and visiting family/friends, as well as pilgrimages contributes to the growth in number of trips within the country. We address this segment of the business through products marketed under the brand "**Bharat Deko**". Under this brand we market exclusive products ranging from religious pilgrimage tours, education tours, weekend breaks, activity holidays, spa holidays, budget holidays, summer and beach retreats, train vacations, coaching and touring holidays.

We have created a very effective agency network to promote holidays that are particular to this market. Our renewed focus on this segment is backed by our endeavour in improving domestic penetration by increase in number and reach of our branch offices, franchised shops and GSAs / PSAs. This will help us to spread our geographical reach still further and help us expand our customer base and volumes.

#### ➤ *Train Tours*

We have entered into a joint venture with the Indian Railways Catering & Tourism Corp (IRCTC) incorporated as Royale Indian Rail Tours Ltd., to manage and operate pan-India luxury tourist train under the name of "**Maharajas' Express**". This train is currently under manufacturing and is scheduled to commence operations in January 2010.

This train would be a landmark in the growth of luxury tourism in India. The combined strength of IRCTC in rail based tourism and hospitality and ours in high-end international tourism, would make this state of the art luxury train. We will leverage our overseas offices to market the product globally, while IRCTC will be involved in the operations.

This is a public-private partnership (PPP) project in the luxury train segment. This unique train will break all state boundaries and will traverse through multiple states in India, thus showcasing India in totality. The train will carry nearly 100 passengers in 23 passenger coaches and will have two bars and two restaurants. It will have an ultra modern kitchen and a boutique.

The company intends to offer specially designed packages that would capture the spirit of India attracting several tourists. The first is the '**Princely India**' tour which will be a seven-night itinerary that follows the Mumbai-Vadodara-Udaipur-Jodhpur-Bikaner-Jaipur-Ranthambore-Agra-Delhi route and '**Royal India**' is a tour with a reverse route starting from Delhi towards Mumbai. The second is the '**Classical India**' tour which will be a six-night itinerary through Delhi-Agra-Gwalior-Khajuraho-Bandhavgarh-Varanasi-Gaya-Kolkata and '**Celestial India**' is a tour with a reverse route starting from Kolkata towards Delhi. These itineraries together will offer the discerning traveller, an introduction into the diversity and cultural heritage of India allowing them to catch a glimpse of its rural heritage, exquisite handicrafts and spectrum of Indian cuisine. The train is expected to operate from September to April, making it a total of 16 journeys per annum.



## Industry Overview:

India's railway network connects its greatest cities with its remotest villages, and travelling across India by train gives a great opportunity to visit places not easily accessible any other way. India, of course, has some world class luxury train service in addition to its ordinary commuter trains. Train-based Tourism is to do with travel products made with luxury trains as an integral part of the package. Out of the 3.9m tourists who came to India in the year 2005, only 3,735 travelled by luxury trains. However, the demand for luxury train tourism in India is on a rise. Considering the current situation of excess demand, there is enough room for many entrants to tap this new format of luxury domestic travel catering to inbound tourists.

The well-known luxury train, the “Palace on Wheels”, runs on the Rajasthan-Delhi route whereas the “Deccan Odyssey” covers Maharashtra and Goa. “The Golden Chariot” which starts and ends in Bangalore runs through the state of Karnataka in the south of India while the “Great Indian Royale Express” covers Maharashtra and Rajasthan enroute Katni, Madhya Pradesh and Agra, Uttar Pradesh. Other luxury carriers such as Fairy Queen, Heritage on Wheels and The Royal Orient cater to the Delhi-Rajasthan sector only. GW Travel, a Britain-based tour operator, has sold train-based tourism through us for its luxury train “Viceroy of India” travelling from Mumbai to Darjeeling. GW Travel has been running luxury trains in Russia and China and is known for Golden Eagle Trans-Siberian Express that covers 10,000 km.

**We customise packages for both individuals and groups for their domestic and international travel for leisure.**

### ❖ Group Tours

We operate Group Tours in all our divisions i.e. Outbound, Inbound and Domestic. Each tour is different in the number of days and destinations. All the tours are pre-planned i.e. the dates of departures and arrivals are fixed in advance for all the tours.

Inbound Group Tours are operated by us for over 65 tour operators worldwide, wherein we organize for accommodation, air travel, coach, car, guides and excursions for foreign tourists travelling in groups from the size of 15 to 45 persons on a pre-booked itinerary. At times, we assist the tour operator in making the itinerary. Many times the tours are totally different from our domestic tours and the destinations are different from what is normally preferred. We cater to these varied demands arising from our clients outside India. Some of these tours handled by us are theme led tours like gardens of the world, natural history, art treasures, etc.

Our Outbound Group Tours are offered and sold under the brand name “*Duniya Dekho*”. We have arrangements with ground handlers in the destination countries that our groups visit. We have our own presence in most of these countries where our group tours are organized. Likewise, our Domestic Group Tours are sold under our branded product “*Bharat Deko*”.

### ❖ Flexible Individual Travellers (“FIT”)

Under FITs we provide customized holidays which have flexibility and are designed to suit the customer needs unlike group tours which are standard in nature. We believe this product though complex has good demand and requires better planning and execution to meet individual needs. These tours are generally booked by people who prefer to travel alone. To illustrate, the itinerary of a holiday taken by two individuals could be totally different from each other though the destination may be same. We have experience in handling complex requests associated with FITs and have a unique internet program that allows and facilitates complex itinerary planning and booking capability. We have an intensive training program for our staff to enable them to sell complex holidays with efficiency.

Two of our products i.e. “*Bharat Deko*” and “*FlexiHol*” cater to domestic and international FITs respectively with customized plans for holidays. The holidays are designed as per the requirements of the customer who decides all individual components of the travel package, which, among other things, would include the length of the holiday, type of accommodation and mode of travelling. It is a concept in holidaying where the traveller enjoys all the comforts and convenience of a planned holiday but at a pace and price that is set by him. Normally families, who want to enjoy their travel without any strings attached in their schedule and also without a group, prefer to travel as FITs as it gives them

the flexibility to arrange their own tour. This facilitates the customer to choose his airline, accommodation, logistics and flexibility to spend its time as per his desire.

#### ❖ **Meetings, Incentives, Conferences and Exhibitions (“MICE”)**

Leisure travel is increasingly being used as an incentive tool by many organizations to convey appreciation for recognizing achievers. It has dual benefits, one by providing a holiday that enables an executive to unwind and recharge and the other serving as a reward for excellence that inspires the team. Our incentive division works closely with the client to tailor-make a program best suited to his needs and budgets. These individual programs being created are unique in nature and normally provide us a client with a long term relationship. The incentive division amongst other services assists in selection of a destination, providing a choice of airlines using the most economical route and complete logistic support on ground. Such programs are organized within India for foreign clients or domestic clients or overseas for a domestic client.

We cater to all aspects of conference organizing, business meetings, event management, seminars, exhibitions, product launches and incentives. Every event is designed to meet specific requirements right from the pre-event preparations, during the event itself and through to post-event settlements. Our expertise in this segment with extensive planning and considerable research ensures our customers have the most comprehensive travel experience. We have managed and organized conference events for several multinational corporations in the past undertaking the gamut of activities involved therein. We provide these services in the capacity of “Official Travel Agents”, “Exclusive Agent”, “Professional Conference Organizer”, “Conference Associates Partners”, or “Exhibition Organisers” as the case may be. This broadly include assistance provided in bidding for the conference, budgeting, planning and promotion, logistics management during the conference and post conference correspondence. To name a few, we are appointed as ‘Event Manager’ for the ‘World Hydrogen Technologies Convention’ (WHTC) 2009 to be held in New Delhi in August 2009. We are also appointed to organise and manage all activities related to conduct of Biennial General Meeting of ‘World Association of Nuclear Operators’ (WANO BGM 2010) to be held in New Delhi.

With advanced technology and facilities, warm hospitality, personalized services coupled with immense natural beauty and rich cultural heritage, India is fast emerging as a preferred destination in MICE tourism segment. We have been constantly introducing innovative events and making suggestions to make every conference eventful and memorable like elephant polo matches, gala dinners in fairy tale castles and steam train journeys in princely carriages amongst others.

#### ❖ **Non-Resident Indians (“NRI”)**

To cater to up market NRIs we have specially designed products for them, wherein we provide them with an upgraded service to suit their mindset. We sell both of our travel products ‘*Duniya Dekho*’ and ‘*Bharat Deko*’ to our NRI clients and the major outbound destinations we offer them include Europe, USA, Australia & New Zealand, Far East, etc. We have setup an office in New York to specially cater to this market segment which is a rapidly growing area of business for us. In order to tap this segment, we have entered into key markets across the globe by appointing GSAs/PSAs in North America, Australia, Middle East, Sri Lanka and Hong Kong which continue to be the largest source market for the NRI traffic. In Africa, the business has been expanded to the expatriate community with the appointment of GSA in Tanzania and the Republic of Congo which has a sizable Indian population.

There is a significant number of NRIs and PIO in Dubai and Middle East, which makes it an important market for us. To service this high growth market, we have incorporated our own subsidiary in Dubai on February 07, 2007. This complements our existing GSA network spread across gulf countries i.e., Muscat (Oman), Kuwait, Bahrain and Doha (Qatar).

Along with providing better service and products to the NRIs, we also provide special care and motivation to the PSAs and GSAs who help bring the business to us. For example, we have, in the past, arranged familiarization trip to places where we conduct our tours for key staff of the travel agents from different countries to places and countries that we offer in our products to enable them to have a real feel of the product that we sell. We have a dedicated website for our NRI customers, viz., [www.coxandkingsnri.com](http://www.coxandkingsnri.com) which helps us to sell our products online.

## ❖ Trade Fairs

We also organize group tours for Trade Fairs in countries outside India. Trade Fairs for different industries are organized all round the year at different places and we take participants in such trade fairs with a customised itinerary for their entire schedule. For the Trade Fairs organised by us, we arrange for every need including accommodation, city tours to technical add-ons such as factory visits, buyer-seller meets and an array of value-added services handling the most complex and exacting business trips anywhere in the world. Some of these Trade Fairs include CPhI China 2008 and Plastics & Rubber Trade Fair held in Shanghai and China Import & Export Commodities Fair held in Guangzhou and CPhI Worldwide (Convention on Pharmaceutical Ingredients) to be held in Madrid, Spain, Print 09 (MyPrint) to be held in Chicago, USA, Anuga 2009 (10 Specialised Trade Fairs under one roof) to be held in Cologne, Germany.

## B. Corporate / Business Travel

The Corporate or Business Travel has witnessed a change from the traditional travel agency mode to total travel management mode. In this mode the objective is to minimize the total travel budget for the corporate while maintaining the service standards. The need has arisen from the increasing complexities, quality and time effectiveness of business travels of current times. The Corporate Travel market is a highly competitive market with presence of both domestic and international travel companies. We believe our brand recall is very high amongst over 200 corporate clients, including major domestic and multinational companies like DHL Express and DHL Lemuir Logistics, Parker Hannifin, Warner Bros., Lanxess India, Alok Industries, Edwards Lifesciences, Villeroy & Bosch Sales India, Scope International, etc. Corporate Travel helps to enhance our image among corporate clients and helps in cross selling our leisure products to these business clients.

Our offering in this vertical include a full range of business travel services. We have a team of dedicated relationship managers that offer customized solutions for corporate clients. It is our endeavour to optimize the corporate travel budget. We have systems and processes in place to make urgent and quick bookings for domestic and international flights, hotels, visas, foreign exchange, travel insurance, car rentals, etc. We also provide various services related to conference organizing, meetings, exhibitions, trade fairs for corporate travellers. This is mainly a fee-based business and involves low marketing cost. It provides scale to the operations and hence the buying power and a sense of predictability to the business. Our IT platform is geared to scale up the operations without any additional cost and time.

Our strength in this business area is evident when one of the world's largest conglomerates in business travel – Radius Inc., the first truly global travel management partnership/consortium with merger of Travel Trust International and Woodside Travel Management Corporation, selected us as their Indian partner. We are shareholder member of **Radius Inc** – the global travel company which is well-positioned to service multinational corporate clients on a global basis. It is one of the world's largest travel management companies comprising a network of 90 travel agencies in 80 countries around the world with over 3,600 locations and with combined annual sales of over USD \$20 billion. It is headquartered in the United States with regional offices servicing the Americas, EMEA and Asia Pacific. The unique strength of Radius lies in its ownership structure of travel agencies. Most agencies are among the top five players in their national markets, ensuring a powerful, expert local presence hand-in-hand with extensive global coverage. Radius grants membership on an exclusive basis with reference to geographical territory.

Through Radius, we have access to all businesses in India originating through other Radius partners outside India. It works on a referral basis i.e. if any foreign tour operator has a client who wants certain travel related services in India, then as an Indian partner of Radius, we would be referred by that foreign tour operator to his client. Leveraging the partnership with Radius, we can offer Travel Fulfilment Services to Corporate Clients who are having offices overseas or project teams working on site at their customer's site, through its Radius Shareholders in the respective overseas regions. All travel requirements are controlled through the off shore 24 x 7 Travel Centre based in Mumbai. With Radius, thus, we benefit significantly with referred businesses in India from its worldwide network of 90 travel majors in 80 countries. We also have our Director, Mr. Pesi Patel on the Board of Radius Inc.

### C. Foreign Exchange

We are a retail forex dealers in the country. We were granted Full Fledged Money Changer (“FFMC”) license by the RBI in 1996. Subsequently, RBI introduced a new concept, of Authorised Dealer - Category II and commenced licensing certain select FFMC's as Authorised Dealer - Category II based on their net worth, Know Your Customer norms and implementation of Anti-Money Laundering policies. We were one of the first travel companies to be granted the license as the Authorised Dealer - Category II under the new licensing regime.

The enhancement of status from FFMC to Authorised Dealer - Category II opened a wide spectrum of activities which we can undertake; foremost among them is the ability to transact outward remittance requirements. The remittances or other exchange facilities for students pursuing studies abroad, medical treatment overseas, migrant travellers, salary and wages to crews on ships visiting in India, subscriptions for overseas publications, seminars, organization’s membership are some of the new businesses which we can undertake in addition to providing foreign exchange service to Leisure Travellers and Corporate / Business Travellers.

We have identified innovative means of sourcing and selling forex in order to generate higher margins on the forex business. Empanelment with banks has opened a new avenue of business for us. As a part of foray into bulk forex dealing segment, we have approached various banks for empanelment, and thereby carry out bulk purchase activities and increase our volumes and business. Our foreign exchange dealing business has enabled us to have a larger share of the travel budget of the travellers. We are therefore capable of providing one-stop services to our clients with respect to their travel requirements.

We are amongst the top sellers of American Express (awarded [2005-2008]), consistently increasing the sale of American Express Travellers Cheques in India year on year over the past couple of years. Additionally, we are also one of the top performers in promoting new products like foreign currency prepaid cards. Cox & Kings sells cards issued by Axis Bank (Travel Currency Card) which is available in USD, EUR, GBP, AUD, CAD, SGD, CHF and SEK. WMTC is a prepaid PIN-protected Forex Debit Card that can be used for cash withdrawal from Visa ATMs as well as for purchases at identified point of sale machines at merchant establishments. Vide this, the traveller is not required to encash this card with any moneychanger abroad for purchases and can directly pay for purchases to the vendor. In case the traveller runs out of balance, he can get the card reloaded while he is still out of India, subject to regulatory limits.



### D. Visa Processing Services

Quoppro Global Services Pvt. Ltd., our wholly owned subsidiary located in Mumbai, functions exclusively as an outsourced business solution to provide comprehensive processing services to diplomatic missions. Diplomatic missions world over are keen to outsource the time consuming administrative, non-judgemental parts of the passport and visa application process. As a core business, Quoppro Global is extremely well placed to address this need while focusing and addressing the concerns regarding security, integrity, speed and efficacy on the outsourced solution of the business.

Visa services are provided in the categories of Tourist visa, Transit visa, Business visa, Student visa, Conference visa and Entry and Employment visa. Passport services include issuance and cancellation of passport, editions in details, extension of validity, etc. We are involved in all visa and passport related processes from lodgement of application to delivery of the passport. All administrative, logistical and technical tasks related to the processing function, except the decision making, are undertaken by us. Thus, allowing diplomatic missions to focus towards the core task of judging an applicant’s eligibility as granting of visa remains the prerogative of the diplomatic mission, we support them for all the rest of the activities. Quoppro Global has spent years researching this complex subject, and created processes to implement a secure, safe, fast and honest approach to this process.

#### Unique Service Proposition:

1. **Technology** is important to speed up processing and to provide state of the art security. Quoppro Global has created proprietary software with technical and support agreements with Mastek, one of the leading IT software giant. The proprietary software system enables passport tracking, database creation, data upload and website maintenance, online appointment scheduling facilities with secure encryption of data at all stages.

2. **Security** is intrinsic to our operations. Data Security is foremost and we have set standards to comply with the best Security Practices. We also emphasise on Personnel Security including electronic surveillance and rapid response measures. Business Continuity and Disaster Recovery is important to counteract interruptions and to protect critical business processes. Physical Security and security of equipments are also given equal importance.

Besides, our biometrics process uses fingerprints and photographs as primary biometric identifiers. This is in addition to alphanumeric data on the visa application to be able to proceed with a reliable verification and identification of visa applicants. The process is designed to improve and facilitate the visa-issuing procedure, preventing visa shopping, facilitating checks at external borders and to avoid fraud within the territory of the member states and assisting in the identification and return of illegal immigrants.

3. **Adaptability** - our people processes and systems not only adapt but also excel in diverse global environments. We understand our business survives and thrives on the level of trust diplomatic missions place in us. As per our policy, all our business dealings are conducted with the highest ethical standards. Our policies and code of ethics are reviewed and updated periodically and open to external audit. Set up & roll out - a detailed feasibility study is carried out by the projects team before setup and roll out in order to localize and acquaint; personnel, systems and processes in a short time span.

- Last year we formed a wholly owned subsidiary under Cox and Kings Singapore Pvt. Limited (formely ‘CNK Internet Pte Ltd.) in the name of Quopro Global Services Pte. Ltd. located in Singapore. We won the mandate to start visa and passport services for the Indian High Commission in Singapore and this newly formed company is to conduct this business. As per the mandate given by the Indian High Commission, Quopro Global will accept all visa applications for India from Singapore nationals and other foreign nationals resident in Singapore, as well as passport applications for Indian nationals residing in Singapore.

We aim to be a preferred business partner for outsourcing services with diplomatic missions. Till date besides our approval on serving the High Commission of India in Singapore, we are also approved by the following diplomatic missions for relate:

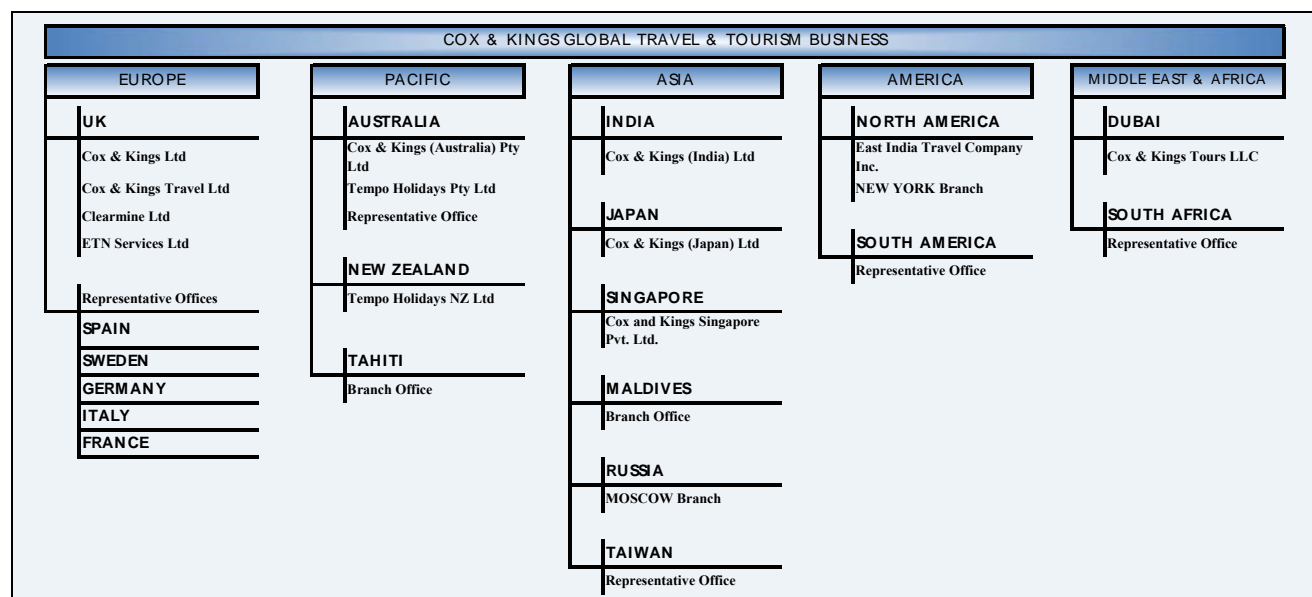
<b>Mission</b>	<b>Country of Operation</b>	<b>Services</b>
India	Singapore	Visa & Passport to India from Singapore – Service Provider
France	UK	Visa to France from UK – Preferred Travel Agent
India	Athens	Visa to India from Greece – Service Provider*
Malaysia	India	Visa to Malaysia from India – Trusted Company
Singapore	India	Visa to Singapore from India – Authorised Trusted Partner
India	Hong Kong	Visa to India from Hong Kong – Service Provider*
India	Dubai	Visa Services from Dubai to India

\* obtained in-principle approvals

## **E. Travel Insurance**

Travel insurance has gained significant importance in recent times. Having realized the potential, we also offer travel insurance which covers various products like medical, baggage, lost documentation (passport, etc.), trip cancellation, etc. Travel insurance is an important part of any tour undertaken by a client as medical insurance has been made a pre-requisite for entering into their territories by many countries. Thus any outbound client has to take the insurance for travelling abroad. Travel insurance product is sold by all the divisions of the company. We sell this insurance directly to the client as a part of our tour. We also sell it to individuals who require it for travelling abroad independently. Such individuals would generally include students going abroad for further studies, people going for business purposes, etc.

## - GLOBAL OPERATIONS



### EUROPE:

ETN Services Ltd. is an inbound travel wholesaler in Europe. ETN Services provides inbound travel for destinations across Europe and its clients are mainly sourced from India, Taiwan, Germany and South Korea. It provides ground handling services for inbound tours in the Europe. The key services offered by ETN Services across Europe includes hotels, transportation, tour escorts and specialist guides, restaurants and tickets for special events, monuments, etc. ETN Services Ltd. is a wholly owned subsidiary of Clearmine Limited both incorporated in the UK.

Cox & Kings Travel Ltd. is an outbound focused tour operator and caters to only the leisure travel market. It concentrates on the up-market end of the business. It is considered as a specialist tour operator which also operates tours around the world like to India, Africa, Far East, Middle East, Latin America, Australia and Europe. Although the business started as a one-country product viz., India, our growth over the past years have been fuelled by its increasing portfolio of specialist programmes. The tours are sold via brochures and such brochures are generally of two types: Destination led packages; and Interest led packages. The tours are even packaged either as Escorted Groups, Private Journeys and Tailor-Made. Escorted Groups include Tour Managers with significant travel experience and organisational abilities and travel along with the tourists throughout their journey. Last year we launched Family Explorer programme which is actually the culmination of our experience at tailor-making the finest family holidays prompted by the need to cater to the whole family. Family Explorer is a collection of journeys designed to be enjoyed equally by children, parents and even grandparents. Recently we launched guest lecture led dedicated tour programmes viz., tours with 'The Natural History Museum' as their official travel provider, touring gardens of the world with the 'Royal Horticultural Society', etc. Other theme led specialist travel plans for small groups and tailor-made travel include 'Art Treasures' where we have a team of lecturers all being experts in their fields and in many cases of great academic renown which help in giving shape and focus to the itineraries.

The John Lewis Partnership is one of the UK's top retail businesses which launched a new direct services business under the trade name 'Greenbee', providing home and travel insurance, theatre tickets and travel services. Greenbee is targeting to become the destination shop for travellers. We have signed with John Lewis Plc to provide an exclusive range of planned group tours and bespoke travel itineraries. Greenbee Specialist Travel Tours are to the destinations like the Indian Subcontinent, Far East, Australia & New Zealand, Latin America, Africa, Middle East and Europe.

We launched a premium quality travel publication from UK called 'Compass' Magazine in June 2006. It is published twice a year (May/June and November/December) and is for private circulation with a readership of over 55,000 customers, either who have travelled with us or who have approached us for their travel plans. The typical Compass readers are affluent middle to upper class adults from professional and academic background.

Cox & Kings Travel Ltd. is a wholly owned subsidiary of Cox & Kings Ltd. Both Clearmine Limited and Cox & Kings Ltd. are our wholly owned subsidiaries. We also have our representative offices in Spain, Sweden, Germany, Italy and France. Through these representative offices we cover the rest of Europe with potential tourists travelling to India. These representative offices sell tour packages coming to India thereby leveraging our Inbound business backed with our destination management services.

#### **AUSTRALIA & NEW ZEALAND:**

Last year we acquired Tempo Holidays Pty Ltd. through our wholly owned subsidiary, Cox & Kings (Australia) Pty Ltd. Tempo Holidays is a focused leisure travel company based in Australia with presence in New Zealand. This acquisition facilitates our entry into Australian market which in turn gives economies of scale and we will gain more bargaining power with its suppliers. Our Company's products would be widely distributed in Australia and as well as New Zealand. Tempo Holidays is a well known wholesaler in the Australian outbound tourism market. It will save our time and resources that would have been necessary to establish a network of the kind operated by Tempo Holidays. It was founded in 1990 by Susan and Gary Hearst as Yalla Holidays. In 2001, it was re-branded as Tempo Holidays, and offers travel arrangements in over 42 countries. It is also the member of several international travel related organisations.

With the completion of this acquisition, the ownership of Tempo Holidays has been transferred to Cox & Kings (Australia) Pty Ltd. However, Tempo Holidays will continue to retain its name. It will continue to be an outbound travel wholesaler and the product offering of Tempo Holidays will be strengthened by us. Our outbound tourist destinations under this brand include UK and other European countries including Spain, Portugal, Italy, France, Austria, Germany, Greece, Turkey, the Middle East including Egypt, Israel, Jordan, the Gulf States viz., UAE, Oman and Qatar, India and Sri Lanka in Asia, etc. This acquisition will further help us to have our direct presence in New Zealand through its wholly owned subsidiary Tempo Holidays NZ Ltd. We also have a representative office in Australia which sells outbound tour packages destined to India using the ground handling and destination management services we offer here.

#### **ASIA:**

Cox & Kings (Japan) Ltd. has a Tour operator class license obtained from the Overseas Tour Operators Association of Japan as a Regular Member. This license enables us to sell travel consultancy & services to the wholesalers in Japan who control the market. It has official relationships with JTB Corporation, JALPAK, All Nippon Sales Company Limited, Hankyu Express International Co Ltd, Kinki Nippon Tourist Co Ltd, H.I.S. Co Ltd, Nippon Travel Agency Co Ltd, etc. which enables these Companies to use their services as a B2B relationship. There are very few companies who have this trading relationship and this is a major barrier to enter the Japanese market.

Cox & Kings (Japan) Ltd., generates revenues principally from packaging consultancy & services for the major wholesaler and societies. It controls its quality and margins by having its own offices in Maldives and Tahiti and through the Ground Handling activities of the Company for its Indian Clients. This gives us a major advantage in contracting and servicing delivery.

Besides Japan, we have our branch offices in Moscow (Russia) and a representative office in Taiwan. These offices help us to have our presence in those geographies and assists selling tour packages with India as tourist destination.

#### **AMERICA:**

We recently completed acquisition of East India Travel Company Inc. This acquisition helps us to have our direct presence in North America. This company serves as a boutique travel company in US offering private travel and group travel to Latin America, Africa, Middle East, South East Asia, India and China mainly serving high net worth clients. Through this company, we provide travel services to small group or private travel. The Private holidays have the flexibility in duration of travel, route taken, pricing, activities involved. These are designed to suit the customer needs whereas the group tours, which are standard in nature are designed to suit the common taste of Outbound Travellers. The product managers negotiate deals with the destination management companies in each territory and produce an annual brochure. Once the customer places the order with us either directly or through agent, the availability with those companies is checked and on their confirmation it is in turn confirmed to the retailer / customer.

The key competitive strength that we have gained from this acquisition is the Customer Service standards set by East India Travel Company Inc. which attracts the high profile travellers. Each and every traveller is given personal attention from the sales consultants which consists mainly of High Net Worth clients between age group of 50-55.

We also have our branch office in New York and a representative office in South America. These offices serve as our arm to sell Inbound tour packages of India.

**MIDDLE EAST & AFRICA:**

Cox & Kings Tours LLC is based in Dubai and its objective is to tap UAE’s outbound leisure travel market. It serves expatriates and UAE nationals for leisure travel across the world. Another focus is in providing exclusive group tours which will cater to the needs of the Indian expatriates in the region. Cox & Kings Tours LLC have already launched many innovative tour programs for the travellers from UAE and have started its inbound tours services to Dubai. Its main focus will remain to be the leader in leisure travel segments both outbound and inbound. Another focus area would be to target the corporate incentive travel, which has potential to grow at a fast pace. We see significant potential in selling inbound and outbound MICE products from this region. We also have our representative office in South Africa to mark our presence in this geography and leverage our inbound business of India.

**Travel & Tourism Product Profile Snapshot:**

Countries	Client Profile	Approach#	Product/ Service Offerings
India	All	Direct	Leisure - Outbound, Inbound, Domestic including MICE & Luxury-Train Tourism; Corporate Travel
UK	High-end	Direct (Outbound)	Leisure Travel - Outbound Specialist Tour Operator
	All	Direct (Inbound)	Leisure Travel – Inbound Tour Operator
Australia	Mid-Market	Direct	Leisure Travel - Outbound Specialist Tour Operator
New Zealand	Mid-Market	Direct	Leisure Travel - Outbound Specialist Tour Operator
Japan	High-end	Wholesaler	Leisure Travel - Outbound Specialist Tour Operator
US	High-end	Direct	Leisure Travel - Outbound Specialist Tour Operator
UAE	All	Direct	Leisure Travel - Inbound Travel Hub Outbound Tour Operator; MICE (Inbound & Outbound)

*\*Inbound includes Destination Management / Ground Handling Services; #Direct implies direct dealing with the customer traveller; Wholesaler implies selling to the retail tour operators \$Indian business is through Branches, Franchisees, GSAs and PSAs; Overseas business is through wholly owned Subsidiaries, Overseas Branch Offices, Representative Offices, GSAs and PSAs.*

**Distribution Channel for our Travel & Tourism Products**

We use different distribution channels for better visibility and sale of our products. In India, we have 255 points of presence covering 164 locations through a mix of branch sales offices, franchised sales shops, General Sales Agents (GSAs) and Preferred Sales Agents (PSAs). Besides, we also operate through our 56 franchised sales shops spread across India to have larger access to our customers. Further, we have an extensive network of 185 GSAs and PSAs covering all major towns and cities of India. GSAs / PSAs are those agents who sell only our products through an exclusive tie-up with us. Besides India, we have our global presence in 19 countries through our subsidiaries and network of our branch offices and representative offices. We have our subsidiaries in UK, Australia, New Zealand, Japan, US, UAE, Singapore and Hong Kong. Our global reach and passion for travel uniquely position us to offer multiple travel choices and value for our products.



❖ **Branch Sales Offices**

Currently in India we have 14 branch sales offices located in Mumbai, New Delhi, Chennai, Kolkata, Bangalore, Hyderabad, Ahmedabad, Jaipur, Kochi, Pune, Nagpur and Goa. These branch offices operate as our Travel Shop as well as back office for transactions taking place in that part. These offices give us a pan India presence. We believe that these shops are very important for our overall growth as this is a direct interface between the customers and us which ensures timely service and prompt grievance redressal. We also operate from our overseas branches in New York, Moscow (Russia), Maldives and Tahiti.

❖ **Franchised Sales Shops**

We have developed a franchisee model wherein the franchisee is labelled as a “Cox & Kings” shop and is a ‘One Stop Travel Shop’. Today, we have 56 franchisees across India which provide and sell all travel related products and services like leisure holidays, ticketing, foreign exchange and insurance, hotel booking, car rentals, third party products like cruises, etc. and visa and documentation for us. We provide the staff of the franchisee with our assistance and training to sell our branded products. We also provide the franchisee with guidance relating to the management, finance, promotion and methods of operation to be employed in connection with the system. We support the franchisee with advertising, promotions and other programs with a view to develop the business. As a part of our growth strategy, we plan to open more dedicated franchised shops to gain depth of reach within India.

❖ **General Sales Agents / Preferred Sales Agents and Representative Offices**

We have an extensive network of General Sales Agents / Preferred Sales Agents and Representative Offices in India and across the globe. We have 185 GSAs and PSAs covering all major towns and cities of India. Further, we have presence in overseas markets through a network of GSAs and PSAs covering other countries enhancing our global presence. We have 9 representative offices spread across Europe, South America, Australia, and South Africa and in Taiwan. In Europe we have our representative offices in Spain, Sweden, Germany, Italy and France.

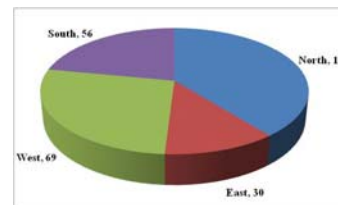
This network of agents and representatives allows us to cater to demand in travel markets where we don’t have our own offices. Our representatives have in depth knowledge of the local market they operate in and we periodically update them in regards to our services and product offerings. Our GSAs / PSAs network within India sources business for us for our outbound tours and Domestic tours. Through our GSAs / PSAs and Representative Offices outside India, we cater primarily to the Inbound travellers coming through them including NRIs and PIO.

❖ **Internet Sales**

We have launched websites [www.coxandkingsinbound.com](http://www.coxandkingsinbound.com) and [www.coxandkingsnri.com](http://www.coxandkingsnri.com) in addition to our existing website [www.coxandkings.com](http://www.coxandkings.com). These user friendly web sites offer our products on real time basis. We believe that with the number of internet users increasing, the web platform will continue to help the company to capture additional market of those travellers who prefer to do their travel purchase online. The website serves as a complete travel solution offering a user the choice to purchase any item from an airline ticket to a complete tour package. The website also offers a user the choice to purchase any combination of product. We believe that application of such state of the art web technology allows us to capture a whole new client base.

**Distribution Network in India:**

Channel	North	East	West	South	Total
Branches and Franchised Shops	23	12	25	10	70
GSAs and PSAs	77	18	44	46	185
<b>Total</b>	<b>100</b>	<b>30</b>	<b>69</b>	<b>56</b>	<b>255</b>



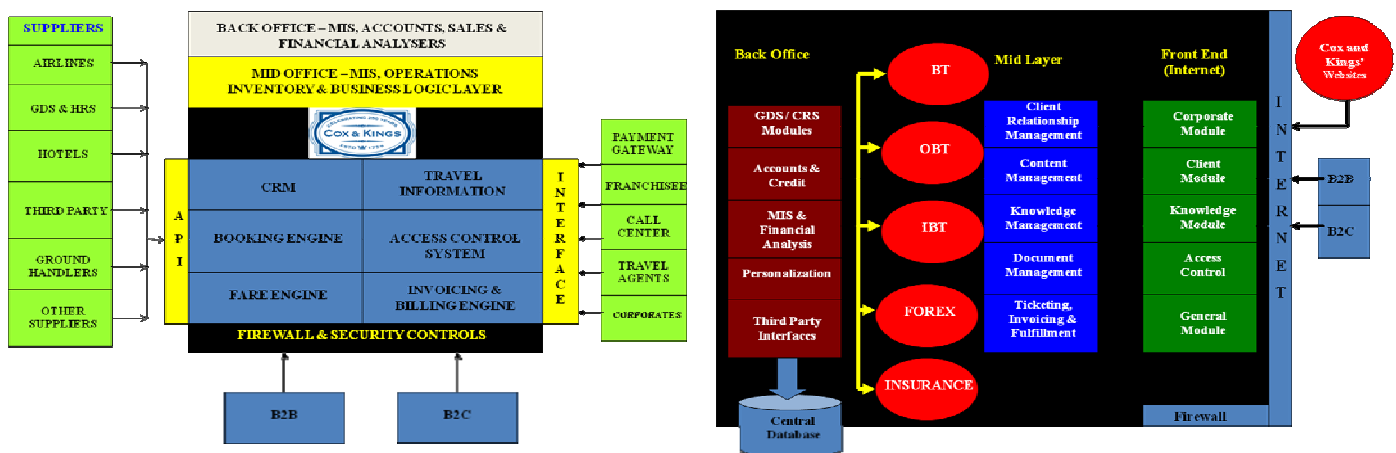
## Technology Initiatives

We deploy efficient information technology platforms in the Indian Travel Industry. We have developed totally integrated front, mid and back end solutions. We have developed and implemented a comprehensive central reservation engine for our travel products and services. It is a web enabled centralized dynamic packaging system, covering all travel related services – Air tickets, Hotel reservations, Car rentals, Cruises, Rail bookings, Insurance, Package Tours and Holidays that enables individuals, companies and agents / franchisees to book all areas of our business including all products and services on a real time basis.

Our business partners and clients can make reservations of flights, excursions, transfers, hotels and other services online. This solution is accessible worldwide. This application can be used as a B2B and B2C solution and can provide a backbone to the Global Distribution System (GDS) as they evolve into package providers. All B2B Clients can also enter their negotiated fares into the ‘Fare Engine’ constructed specifically to suit the needs of our franchisees, agents and corporate clients. We have also built in Online Payment Gateways which are well integrated to our existing technology platform enabling our customers’ convenience in dealing with us.

Using the best data-management software such as Oracle ERP, we have integrated our existing Computer Reservation Systems (CRS) with our mid and back office. The above applications are deployed over a dedicated and secure WAN environment with servers located at Internet Data Centre. All the servers are secured with Firewalls installed at the Internet Data Centre as well at all the offices. We also have Disaster Management and Recovery solutions and scheduled backups to protect data in case of exigencies and ensure continuity of business of the company. On the front end, we also have a 24/7 dedicated call centre with apt technology infrastructure and manned with well informed and efficient executives to address to the customer requirements including complaints if any.

The open technology adopted is flexible enough to interface into any of the other applications used by corporate, franchisees or suppliers to offer end to end integration solutions. The system is a modular one and can be used by an agency in entirety or agencies can pick and choose components that are related to their business segments thereby utilizing only the relevant components of the system. The system is a modular one and can be used by an agency in its entirety or agencies can pick and choose components that are related to their business segments thereby utilizing only the relevant components of the system. The block diagram of this application is attached:



## Human Resource

Our management team includes experienced managers in the travel and leisure industry. Most of our senior management have substantial experience in their respective domain areas and have been instrumental in the growth of our organization. We believe that our management team is well placed to provide strategic leadership and direction to explore new emerging opportunities in these sectors as well as constantly improve our current operations. We have witnessed low attrition of key management personnel and have also recruited several professionals with a combination of domain expertise in critical

areas and innovative thinking for all areas of our services to our organisation. We believe that these attributes of our staff provides us with a significant competitive edge.

Our permanent employees as on October 15, 2009 are as follows:

Country	Number of Staff
India	1,097
U.K.	97
Japan	54
Dubai	11
Singapore	1
Australia	69
New Zealand	4
U.S.	11
<b>Total</b>	<b>1,344</b>

### Competition

Unlike mature markets of the world which are organized with deeper penetration, the Indian travel market is highly fragmented and there is a potential for major penetration in retail market. Our competitors may / may not offer all services and products that we do and their product portfolio may not be directly comparable but we may face competition.

### Past Awards and Recognition

❖ “Best Domestic Tour Operator” by TAFI-abacus Awards for Business Leadership in Tour Operating (2009)
❖ “Best Inbound Tour Operator” by TAFI-abacus Awards for Business Leadership in Tour Operating (2009)
❖ “TravelBiz Monitor Most Innovative Product Launch” by TAFI-abacus Awards for Business Leadership through innovation in Travel (2009)
❖ Today’s Traveller Platinum Award for Most Innovative Travel Company of 2009
❖ “India’s Top Rated Tour Operator – Outbound” by the Economic Times & Travel Agents Association of India Travel Awards 2009
❖ Ranked No.1 as “Top Brands in India” for the year 2008 based on a survey conducted by research agency, TNS and co-funded by Media magazine, also ranked 152 in Asia Pacific’s Top 1000 Brands 2008 covering countries like Australia, China, India, Japan, Hong Kong, Korea, Malaysia, Singapore, Taiwan and Thailand.
❖ “Best Domestic Tour Operator” awarded by Galileo Express Travel World Awards (2008)
❖ “Best Visual Advertising Campaign” awarded by Galileo Express Travel World Awards (2008)
❖ “World Travel Market Global Award” to Mr. Ajay Ajit Peter Kerkar, Global CEO, Cox and Kings for his remarkable contribution to the travel and tourism industry (2008)
❖ Ranked amongst the Top 15 Tour Operators – Readers’ Travel Awards 2008, Conde Nast Traveller (2008)
❖ “Best Self Drive Brochure” by Tourism New Zealand Asia Awards (2008)
❖ “Most Preferred Tour Operator Award” by CNBC Travel Awards (2007)
❖ “Best Outbound Tour Operator” by TAFI-abacus Awards for Business Leadership in Tour Operating (2007)
❖ “Best Domestic Tour Operator” by TAFI-abacus Awards for Business Leadership in Tour Operating (2007)
❖ “Best Technology Programme” by Galileo Express Travel Awards (2005-2006)
❖ "Best Domestic Tour Operator" for consecutive 3 years by Galileo Express Travel World Awards (2003-2004, 2004-2005 and 2005-2006)
❖ “Best Domestic Tour Operator" for consecutive 3 years by National Tourism Awards, Government of India, Department of Tourism (2003–2004, 2004–2005 and 2005–2006)
❖ “Best Conference Agency" for 7 times by National Tourism Awards for being the awarded by Government of India, Department of Tourism (1995–1996, 1998–1999, 1999-2000, 2000-2001, 2001-2002, 2002-2003 and 2003-2004)
❖ "Best Outbound Tour Operator“ by Galileo Express Travel Awards (2002–2003)

## Brand Portfolio

Select brands under which we sell our travel and travel related products are:



## Properties

We have taken a plot of land on lease at Greater NOIDA from the Greater New Okhla Industrial Development Authority. The Greater New Okhla Industrial Development Authority has issued a notice terminating the lease. We are contesting the termination in the Allahabad High Court. For details on this litigation see “Outstanding Litigation and Material Developments” on page 244 of the Red Herring Prospectus.

We are in possession of tenanted premises at Carnac Bunder, Mumbai. The owners of the premise have issued us a notice asking for vacating the premises and have filed a suit with the Small Causes Court at Mumbai. For more details on this litigation see “Outstanding Litigation and Material Developments” on page 244 of the Red Herring Prospectus.

Our registered office at Mumbai situated at Turner Morrison building at 16 Bank Street, Fort, Mumbai – 400023, is taken on leave and license basis. Turner Morrison Limited has initiated legal proceedings. We are contesting the proceedings before the Small Causes Court at Mumbai. For details on this litigation see “Outstanding Litigation and Material Developments” on page 244 of the Red Herring Prospectus.

All the branch offices within and outside India are either taken on lease or on leave and license basis. We are required to regularly renew the lease or lease and license arrangement with the owners to peacefully enjoy the property.

We also own residential premises at Mumbai and Bangalore. These flats are primarily used for staff accommodation.

## Insurance

We have taken a group personal accidental policy covering 10,000 passengers covering accidental death and permanent total disablement. We have also taken a professional indemnity policy and an errors and omissions policy. We have a money insurance policy for the money in the personal custody of the Company or the authorised employee of the Company whilst in direct transit between the premises and the bank or post office and vice versa.

We also have a compact policy to protect our offices, electronic equipment and other items along with a standard fire and special perils policy along with a policy for our premises situated at Mumbai and Bangalore. We have a group medi-claim policy. We also have a group personal accident policy for our employees covering compensation in the event of injuries sustained solely or directly from an accident.

We also have a Key man Insurance Policy for 25 employees and a Fidelity Insurance Policy for designated employees. We also have automobile insurance policies. We also have a Third Party Professional Indemnity Policy.

We also have an IATA Special Contingency Cover for Travel Agent's Policy for Rs.199 million. We also have an Overseas Medi-claim Policy for Passengers.

### **Details of Intellectual Property**

Our Company currently own 52 trademarks of our branded products that we offer under brand names. Of these registered marks, certain marks have been registered in multiple classes. These trademarks are registered for a period of 10 years from their date of application.

In addition to this, we have made applications for the registration of 14 trademarks with the Registrar of Trademarks, Mumbai, under various combinations and classes, which are currently pending registration. For more details on these trademarks kindly see the chapter "Government and Other Approvals" beginning on page 350 of the Red Herring Prospectus.

## REGULATIONS AND POLICIES

The legal framework governing the travel and tourism industry and the provision of related services and products are detailed below:

### **FOREIGN EXCHANGE MANAGEMENT ACT, 1999 (“FEMA”)**

The Company is an Authorized Dealer- Category II (“Authorized Dealer”) under Section 10 of the Foreign Exchange Management Act, 1999. All transactions for sale / purchase of Exchange need to be undertaken within limits prescribed by RBI for each transaction as well as annual limits defined for each individual. The client has to produce certain documents / declarations which vary according to purpose for which exchange is availed. RBI also prescribes different registers carrying details of various transactions undertaken to be maintained by company and also the monthly/annual returns to be filed, concurrent audit systems.

Contravention of the RBI directives or a failure to furnish the prescribed returns can result in the imposition of penalty under Section 11(3) of the Act. Moreover in case any contravention occurs of any provision of this Act, or any rule, regulation, notification, direction or order issued in exercise of the powers under this Act or of any condition subject to which an authorisation is issued by the Reserve Bank, penalty will be imposed in accordance with Section 13 of the Act. Any person who was in the charge of, or was responsible to the Company for the conduct of its business is liable to be punished except if it is proven that the contravention took place without his knowledge and provided that he had exercised due diligence.

**The following are various rules, regulations and policies under the FEMA issued by the Central Government that are applicable to the Company:**

#### **Foreign Exchange Management (Possession and Retention of Foreign Currency) Regulations, 2000**

This regulation follows on the regulation on realization and repatriation of foreign exchange under Sections 9 ((a) to (e)) of the Foreign Exchange Management Act, 1999. Under Regulation 3(i) of this regulation, an authorized person may possess foreign currency and coins without any limit within the scope of their authority.

Master Circular on Remittance Facilities for Non-Resident Indians /Persons of Indian Origin / Foreign Nationals (Master Circular No.04/2009-10 dated July 1, 2009) issued by RBI

This Master Circular is issued with a sunset clause and would stand withdrawn on 1 July, 2010 and be replaced by an updated Master Circular on the subject.

An Authorized Dealer- Category II, among other activities, is permitted to make arrangements for education abroad. This Master Circular provides for certain facilities for students. Students going abroad for education are treated as Non-Resident Indians (“NRIs”) and are eligible for all the facilities available to NRIs under the Foreign Exchange Management Act, 1999. As NRIs, such students can receive remittance from India (i) up to US\$ 100,000 from close relatives in India on self declaration towards maintenance, which would include remittance towards their education also and (ii) up to USD 1 million out of sale proceeds of assets / balances in their account maintained with an Authorized Dealer Bank in India. Educational and other loans availed by the students going abroad as residents in India will continue to be available as per Foreign Exchange Management Act, 1999.

Master Circular on Miscellaneous Remittances from India – Facilities for Residents (Master Circular No.05 /2009-10 **dated** July 1, 2009) issued by RBI

This Master Circular is issued with a sunset clause and would stand withdrawn on July 1, 2010 and be replaced by an updated Master Circular on the subject. The Master Circular states that the “drawal” of foreign exchange includes the use of International Credit Cards, ATM Cards and International Debit Cards etc. “Currency”, *interalia*, includes ICC, IDC and ATM Cards.

The Master Circular provides that the RBI shall grant licenses to certain entities as Authorized Dealers- Category II to undertake non trade current account transactions. The circular also specifically provides for the non-trade current accounts

transactions for which Authorized Dealers- Category II are authorized to release / remit foreign exchange. The circular provides that foreign exchange may be sold within the period of validity stated in the approval and the details of the sale shall be endorsed where the approvals are granted by the RBI/ Government of India. Authorized dealers may release foreign exchange for travel and private purposes on the basis of a declaration given by the traveller regarding the amount of foreign exchange availed during a calendar year. However, release of foreign exchange is not admissible for travel to and transaction with residents of Nepal and Bhutan. The traveller should sign cheques in the presence of an authorized official in case of issue of traveller's cheques and the purchaser's acknowledgement for receipt of the travellers' cheques should be held on record. This circular also specifies the limit up to which the foreign exchange, sold to a traveller, should be in the form of foreign currency notes and coins. The authorized dealers should retain documents relating to the sale of foreign exchange for a period of one year. When remittance is allowed on the basis of self-declaration, the responsibility of furnishing the correct details in the application shall remain with the applicant who has certified the details for the purpose of such remittance.

An authorized dealer may release foreign exchange up to US\$ 100,000 on the basis of self declaration of the applicant to enable residents to avail of foreign exchange for medical treatment abroad. An estimate from the doctor in India/abroad or hospital abroad is to be submitted with authorized dealers for amount exceeding this limit.

An authorized dealer can release foreign exchange for private visits to a person for travel outside India for any purposes up to the specified limit. The unspent foreign exchange brought back to India should be surrendered within 180 days from the date of receipt / realisation / purchase / acquisition /date of return of the traveller, as the case may be. Authorized Dealers may remit foreign exchange at the request of an agent towards the hotel accommodation or tour arrangements of a traveller but the remittance should be out of the foreign exchange purchased by the traveller from an authorized person. Authorized dealers may open foreign currency accounts in the name of agents in India who have arrangements with hotels/ agents abroad. An authorized dealer may allow tour operators to remit cost of rail / road / water transportation without the prior approval of Reserve Bank of India. In case of consolidated tours of foreign tourists to the neighbouring countries, a part of the foreign exchange may be remitted for expenses to these neighbouring countries but the remittance should not be more than what originally came to India and the beneficiary country should not be Pakistan. Authorized Dealers may accept payment in cash up to Rs. 50,000 against sale of foreign exchange. Any amount exceeding that should be received only by crossed cheques / Demand Draft / Pay Order. Authorised Dealers may allow advance remittance for import of services. Authorised Dealer may issue guarantee on behalf of their customers importing services. Under **Liberalised Remittance Scheme**, Authorised Dealers may freely allow remittances by resident individuals up to USD 200,000 per financial year (April-March) for any permitted current or capital account transactions or a combination of both. The Reserve Bank of India will not specify the document which should be verified by the authorized dealer. An authorised person shall require any person wanting to transact in foreign exchange to make such a declaration and to give such information as will reasonably satisfy him that the transaction will not involve and is not designed for the purpose of any contravention or evasion of the provisions of the FEMA or any rule, regulation, notification, direction or order issued thereunder. An authorized dealer may release foreign exchange up to US\$ 100,000 on the basis of self declaration for education, medical treatment, employment etc.

**This circular also details the documents required for examination and regulations regarding the issuance of International Credit/ Debit cards, acquisition of foreign securities under Employees Stock Option Plan (ESOP) details of income tax clearances etc.**

#### **AMC – MEMORANDUM OF INSTRUCTIONS TO AUTHORISED MONEY CHANGERS (“AMCs”) AP (DIR SERIES)**

**RBI has *vide* circular dated August 3, 2009 (RBI/2009-10/112/ A. P. (DIR Series) Circular No.06/ A. P. (FL/RL Series) Circular No. 01) issued a memorandum of instructions in addition to memorandum of instructions dated March 9, 2009 governing money changing activities under which ADs Category - I/ ADs Category - II/ FFMCs are required to obtain certain documents, including a conduct certificate from the local police authorities, while conducting the due diligence of their agents/ franchisees.**

**Memorandum of Instructions governing money changing activities (A. P. (DIR Series) Circular No. 57 dated March 9, 2009) issued by RBI under Section 10(4) of the Foreign Exchange Management Act, 1999**

This memorandum of instructions by the RBI is in relation to the procedure to be followed by all authorized money

changers. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 applicable to Authorized Money Changer licensed by the Reserve Bank of India under Section 10 of the Foreign Exchange Management Act, 1999. AMCs / franchisees may freely purchase foreign currency notes, coins and travellers cheques.

Foreign exchange in any form can be brought into India freely without limit provided it is declared on the Currency Declaration Form (CDF) on arrival to the Custom Authorities. AMCs may sell foreign exchange up to the prescribed ceiling (currently US \$ 10,000) specified in Schedule III to the Foreign Exchange Management (Current Account Transaction) Rules, 2000 during a financial year to persons resident in India for undertaking one or more private visits to any country abroad (except Nepal and Bhutan). AMCs can sell Indian Rupees to foreign tourists against International Credit Cards and shall promptly reimburse the same. AMCs may convert into foreign currency, unspent Indian currency held by nonresidents at the time of their departure from India, provided a valid Encashment Certificate is produced. AMCs should issue certificate of encashment when demanded and maintain proper records. The customers should be notified, where it is not provided, that unspent local currency held by non-residents will only be converted on the production of valid encashment certificate.

AMCs can purchase foreign currency from other AMCs but the payment should be by crossed cheques / demand draft. AMCs may sell foreign exchange to resident Indian citizens for taking private visits abroad but on the basis of the declaration given by the traveller. AMCs may sell foreign exchange to travellers for business travel, conference etc. The sale of foreign exchange should only be made on personal application and identification of traveller. Any payment in excess of Rs. 50,000 should be received only by crossed cheques/demand drafts. AMCs should display the rates of exchange at a prominent place. AMCs can obtain their normal business requirement of foreign currency from other AMCs. If required, AMCs should seek the RBI's permission to import foreign exchange into India. AMCs may export excess foreign currency to an overseas bank or private money changer through an authorized dealer. In the event that the foreign currency obtained are fake or forged ones, the AMC may write off up to US\$ 2000 p.a. after the approval of their top management and after exhausting all other available options for recovery of the amount and with the approval of the regional branch of the RBI.

Full Fledged Money Changers ("FFMCs") should submit to the RBI consolidated statement in Form FLM 8 and the same should be done by Restricted Money Changers ("RMCs") in Form RLM 3. AMCs should submit to the RBI details of transactions above USD 10,000 within the tenth calendar day of each month. Under Section 12(1) of the Foreign Exchange Management Act, 1999, any officer of the RBI may inspect books of account and other documents of AMCs. AMCs should have a Concurrent Audit of the transactions undertaken by them. AMCs should apply for the renewal of license at least 3 months in advance of expiry of the license. If the AMCs want to provide money changing facility at some location other than one given in the license, special permission of the RBI is required. RBI may revoke the license granted if it is in public interest or if the terms of the license have not been fulfilled.

#### **SCHEME FOR AUTHORISED DEALERS AND FFMCs APPOINTING AGENTS/FRANCHISEES FOR UNDERTAKING RESTRICTED MONEY CHANGING UNDER FEMA, 1999**

The Scheme is for provision of easier conversion facilities for travellers and tourists, including NRIs by enlarging the network of money changing facilities in the country. Under this scheme, RBI permits ADs and FFMCs to enter into agency/franchisee agreements with entities for the purpose of carrying on Restricted Money Changing business i.e. conversion of foreign currency notes, coins or travellers' cheques into rupees.

The franchisor would need to apply to the RBI in Form FMC-F. The application should be accompanied by a declaration of due diligence on the franchisee. Approval will be granted by the RBI on a one time basis and thereafter new franchisee agreements will be reported on a post facto basis. The tenor of the arrangement is left to the franchisor and the display of exchange rates by the franchisee, the surrender of collection to franchisor within 7 days, maintenance of proper records and on-site inspection by franchisor should be observed.

#### **Service Tax applicable to the travel and tourism industry**

Our Company is primarily engaged in the business of organized tours & travels and foreign exchange transactions. The principle services offered by the Company are destination management, inbound and outbound tourism & travel, business travel and arrangements, domestic holidays, foreign exchange, insurance etc. Section 65 of the Finance Act, 1994 provides a list of services to be taxed under Clause 105. The Company is liable to pay service tax on certain services listed below:



Description of Service (Finance Bill, 2009 has not made any changes to service tax provisions).	Relevant clause of section 65 of the finance act, 1994.
Air Travel Agent	L
Tour Operator	N
Banking and other financial services	ZM
Event management	ZU
Rail Travel Agent	ZZ
Business Auxiliary	ZZB
Franchise services	ZZE
Travel Agent (other than air & rail)	ZZX

#### Section 65 Clause (L)

AIR TRAVEL AGENT services taxable effective from 1 July, 2003

Service Provider: Any Person

Service Recipient: Customer

Rate of Service tax: 10% vide notification no 8/2009 – service tax.

Scope of Taxable Services:

Any service provided or to be provided, to any person by an air travel agent in relation to the booking of passage for travel by air.

Value of Taxable Services:

The gross amount charged by the service provider for such service rendered by him and includes the commission received by the air travel agent from the airline but does not include, the airfare collected by air travel agent in respect of service provided by him. However for ease of calculation the travel agents have been given an option to calculate service tax at specified rates on the basic fare charged for the air travel.

#### Section 65 clause (N)

TOUR OPERATOR services taxable effective from 1 April, 2000

Service Provider : Person

Service Recipient : Person

Rate of Service Tax: 10% vide notification no 8/2009 – service tax.

Scope of Taxable Services:

Services provided to any person by a tour operator in relation to a tour (a journey from one place to another irrespective of distance between such places) by road, rail or sea, i.e. any mode of transport. Tour operator is defined as a person engaged in the business of planning, scheduling, organizing, or arranging tours (including arrangements for accommodation, sight seeing or other similar services by any mode of transport) and also include any person engaged in the business of operating tours in a tourist vehicle covered by the permit granted under the Motor Vehicles Act, 1988.

Value of Taxable Services:

The gross amount charged by the service provider for such service rendered by him.

Notification no 38/2007-Service Tax has notified exemption available for tour operators, accordingly the Service tax is applicable only on part of the value of services, subject to certain conditions:

(i) Services provided or to be provided to any person, by a tour operator in relation to a package tour.	25
Explanation.- <i>The expression “package tour” means a tour wherein transportation, accommodation for stay, food, tourist guide, entry to monuments and other similar services in relation to tour are provided by the tour operator as part of the package tour to the person undertaking the tour.</i>	
(ii) Services provided or to be provided to any person, by a tour operator in relation to a tour, if the tour operator is providing services solely of arranging or booking accommodation for any person in relation to a tour.	10
(iii) Services, other than services specified in (i) and (ii) above, provided or to be provided to any person, by a tour operator in relation to a tour.	40

#### Section 65 Clause (ZM)

Banking and other financial services taxable effective from 16 August, 2002 for any Body corporate. However the scope was extended to include services of “purchase and sale of foreign currency, including money changing” w.e.f. 16.05.2008

Service Provider: any body corporate (among others)

Service Recipient : any person

Rate of Service: 10% vide notification no 8/2009 – service tax.

Scope of Taxable Services:

Securities and foreign exchange (forex) broking, and purchase or sale of foreign currency, including money changing and Foreign exchange broking and purchase or sale of foreign currency, including money changing provided by a foreign exchange broker or an authorised dealer in foreign exchange or an authorised money changer. It is declared that “purchase or sale of foreign currency,

including money changing” includes purchase or sale of foreign currency, whether or not the consideration for such purchase or sale, as the case may be, is specified separately.

Value of Taxable Services: Consideration for the services provided (commission) indicated explicitly.

**Section 65 Clause (ZU)**

Event management services taxable effective from 16 August, 2002

Service Provider: Any Person

Service Recipient : Any Person

Rate of Service: 10% vide notification no 8/2009 – service tax.

Scope of Taxable Services:

Any service provided, by an event manager, in relation to planning, promotion, organizing or presentation of any arts, entertainment, business, sports, marriage or any other event and includes any consultation provided in this regard

Value of Taxable Services: Consideration charged by the event manager for such services.

**Section 65 Clause (ZZ)**

Rail Travel Agent services taxable effective from 16 August, 2002

Service Provider: Person

Service Recipient : Customer

Rate of Service: 10% vide notification no 8/2009 – service tax.

Scope of Taxable Services:

Travel agents, whether authorized or registered by railways or not, providing services for booking of ticket for passage for travel by rail.

Charges for cancellation of tickets. (F No. BII/1/2002).

Value of Taxable Services: The commission/fee charged by travel agent from the customer.

**Section 65 Clause (ZZB)**

Business auxiliary services taxable effective from 1 July, 2003

Service Provider : any person

Service Recipient : Client

Rate of Service: 10% vide notification no 8/2009 – service tax.

Scope of Taxable Services:

All services specified in sub-clause (i) to (vi) of Section 65(19) like promotion, marketing, procurement, production, processing of goods or services; customer care service, provision of services on behalf of client; a service incidental or auxiliary to any activity specified in sub clauses (i) to (vi), such as billing, issue or collection or recovery of cheques, payments, maintenance of accounts & remittance, inventory management, evaluation or development of prospective customer or vendor, public relation services, management or supervision and includes service as commission agent but does not include any information technology service and any activity that amounts to manufacture within the meaning of clause (f) of section 2 of the Central Excise Act, 1944.

Value of Taxable Services:

The value of taxable services in relation to business auxiliary services provided by any person to a client shall be the gross amount charged from the client in relation to the business auxiliary service (section 67).

**Section 65 Clause (ZZE)**

Franchise Services taxable effective from 1 July, 2003

Service Provider: Franchisor

Service Recipient : Franchisee

Rate of Service: 10% vide notification no 8/2009 – service tax.

Scope of taxable service:

Services provided to a franchisee, by the franchisor in relation to franchise which is defined as an agreement by which the franchisee is granted representational right to sell or manufacture goods or to provide service or undertake any process identified with franchisor, whether or not a trade mark, service mark, trade name or logo or any such symbol, as the case may be, is involved

Value of taxable service: The fees charged by franchisor from the franchisee.

**Section 65 Clause (ZZX)**

Travel agent services (other than air & rail) taxable effective from 10 September, 2004

Service Provider: Travel Agent

Service Recipient : Customer

Rate of Service: 10% vide notification no 8/2009 – service tax.

Scope of taxable service:

Any service provided to a customer by a travel agent in relation to booking of passage or travel other than travel by air / rail

Value of taxable service: The commission/fee charged by travel agent from the customer.

## **ANTI MONEY LAUNDERING**

### **Prevention of Money Laundering Act, 2002 (amended by [Prevention of Money-Laundering \(Amendment\) Act, 2005](#) and The Prevention of Money-Laundering (Amendment) Act, 2009)**

All persons who directly or indirectly indulge in or knowingly assists or is a party or is involved in any process or activity related to the proceeds of crime and projecting it as untainted property shall be guilty of the offence of money laundering. Such persons shall be punishable with rigorous imprisonment for a term which shall not be less than three years but which may extend to seven years and shall also be liable to fine which may extend to five lakh rupees and his property may be attached. All financial institution shall maintain records of transactions, the nature and value, note whether they are a single transaction or a series of them, furnish such information to the authorities as and when required and verify and maintain the identity of all clients, in the prescribed manner. The authorities are empowered to enter and examine all relevant documents of a company, seize any record or property found as a result of such search and retain such property or records for the purposes of the adjudication of the matter for a period of three months subject to any order to the contrary by the adjudicating authority constituted under the Act. The Director or any other officer not below the rank of Deputy Director authorised by him has also the power of search and seizure, provided such search shall be carried out in the prescribed manner. In the schedule of offences, class of offence has been widened to include other offence including offence covered under Section 489 A and 489 B have also been added.

### **Anti Money Laundering Guidelines**

The New Anti-Money Laundering Guidelines issued by RBI (A. P. (DIR Series) Circular No. 14) on October 17, 2007 amends Anti-Money Laundering guidelines for Authorised Money Changers issued vide A. P. (DIR Series) Circular No.18 {A.P. (FL Series) Circular No.01} dated December 2, 2005 and A. P. (DIR Series) Circular No.39 {A. P. (FL Series) Circular No.02} dated June 26, 2006. Under the new guidelines, the requests for payment in cash by foreign visitors / non-resident Indians which was to be acceded to the extent of USD 2000 or its equivalent has been raised to USD 3000. Moreover, PAN Card may also be accepted as a suitable document for establishing the relationship with the company / firm.

The Anti- Money Laundering Guidelines issued by the RBI on 2 December 2005, (RBI/2005-06/224) (A.P. (DIR Series) Circular No.18) (A.P. (FL series) Circular No.1) are applicable to the Company. According to the guidelines, the Company shall keep the prescribed identification records of its customer for the prescribed periods. The guidelines also detail norms on recognition, handling and disclosure of the specified documents. The Company shall appoint a Money Laundering Reporting Officer and report the suspicious transactions to the appropriate authority, train their staff, maintain appropriate records and make timely audits and obtain and keep in its records a certificate from the auditor that all provisions have been complied with. Further, there are also procedures set out on the purchase of foreign exchange and the establishment of business relationship with a company. Any non- compliance with the provisions would attract penal provisions of Section 11 (3) of the FEMA. The guidelines were amended vide circular A.P.(DIR Series) Circular No. 39 dated 26 June, 2006 on account of difficulties faced by the AMCs regarding the identification of and maintaining records of travellers.

The recognition is given for a period of 5 years and subsequent renewals for 5 year periods and the travel agent, upon award of such recognition, shall be entitled to all concessions and incentives granted by the Government to travel agents.

### **A new guidelines for recognition as approved tour operator has been introduced from August 27, 2007**

The guidelines for recognition encourage quality standard and services by travel agents to promote tourism in India. Some of the important conditions that are to be fulfilled by the travel agency for grant of recognition by the Ministry are that the application should be made and submitted in the prescribed format and the tour operator must have a minimum paid up capital of Rs. 300,000 and the turnover in foreign exchange by the tour operator must be a minimum of Rs. 1 million and the tour operator should have been operational for a minimum period of one year before the application.

The recognition is given for a period of 5 years with subsequent renewal for 5 year periods and the tour operator, upon award of such recognition, shall be entitled to all concessions and incentives granted by the Government to tour operators.

### **A new guidelines for recognition as approved adventure tour operator has been introduced from August 27, 2007**

The guidelines for recognition to adventure tour operators and the benefits granted are similar to those prescribed for tour operators. There are additional safety guidelines for all adventure sports like water sports, aero sports and trekking.

### **A new guidelines for recognition as approved domestic tour operator has been introduced from August 27, 2007**

The guidelines for recognition encourage quality standard and services by travel agents to promote tourism in India. Some of the important conditions that are to be fulfilled by the travel agency for grant of recognition by the Ministry are that the

application should be made and submitted in the prescribed format and the tour operator must have a minimum paid up capital of Rs. 500,000, the turnover in foreign exchange by the tour operator in tour operation business only must be a minimum of Rs. 2 million and the tour operator should have been in operation for a minimum period of one year before the application. The benefits and conditions for recognition by the Ministry are similar to those for other tour operators but the domestic tour operator shall employ tour guides trained and licensed by the Department of Tourism or approved by the state governments.

### **Reserve Bank of India**

The Reserve Bank of India is the body authorized under the Foreign Exchange Management Act, 1999 to issue licenses to Authorised Dealers to deal in foreign exchange. - Authorised Dealers – category II are required to submit a monthly consolidated statement for all its offices in form FLM8 (Summary statement of purchases and sales of foreign currency notes during the month), also a statement indicating details of individual purchase transactions of USD 10,000 or its equivalent or above. All AMCs (Multibranch Dealer having turnover of more than USD 100,000 or equivalent p.m.) have to institute a system of Monthly audit. Under AML guidelines, any suspicious transaction is to be reported to the MLRO and such transaction may be undertaken with prior approval of MLRO. The MLRO is required to make a report to the appropriate authority viz. the FIU of any suspicious transactions. - A certificate from the Statutory Auditor on the compliance with AML guidelines should be obtained at the time of preparation of the Annual Report and kept on record. The license may be revoked at any time for reasons of public interest or for non-compliance with the regulations.

### **International Air Transport Association**

International Air Transport Association (“IATA”) develops global commercial standards of the travel and tourism industry. It represents 800 member companies and some 230 airlines in 120 countries as a regulatory body that provides guidelines and monitors the operations of its members. An accreditation of IATA is necessary to operate as a travel service provider. The purpose of accreditation is to formally recognize travel agents that are authorized to sell and issue international airline tickets. It is essential that customers and airlines can rely on these agents for ticketing and the payment procedure according to required standards. IATA has stringent criteria that are required to be met for accreditation. Membership with IATA brings several benefits that facilitate operations for travel agents such as the Billing and Settlement Plan.

### **Other Associations**

There are other associations such as the International Congress & Convention Association, the Pacific Asia Travel Association, the Travel Agents Association of India, the United Federation of Travel Agents Associations and the Passenger Agency Conference for which membership or accreditation is not mandatory.

## **REGULATORS**

### **Ministry of Tourism**

The main regulator for the travel and tours activity of the Company is the Ministry of Tourism and the Departments under it. A Department of Tourism license is a prerequisite for any organization operating in the tours & travels business. Some of the guidelines issued by the Ministry are detailed below:

### **A new guidelines for recognition as approved travel agent has been introduced from August 27, 2007**

The guidelines for recognition encourage quality standard and services by travel agents to promote tourism in India. Some of the important conditions that are to be fulfilled by the travel agency for grant of recognition by the Ministry are that the application for recognition should be made and submitted in the prescribed format, the travel agency should have a minimum paid up capital of Rs. 300,000 and should have been operational for a minimum period of one year before the application and the travel agency must be approved by the IATA or should be GSA/PSA of an IATA member airlines.

## HISTORY AND OTHER CORPORATE MATTERS

### Our History

Our Company was incorporated under the name of the “Eastern Carrying Company Limited” on June 7, 1939 under the Indian Companies Act, VII of 1913. The name of our company was subsequently changed to “Cox and Kings (India) Limited” and the consequent fresh Certificate of Incorporation was granted on February 23, 1950. Subsequently, after the amendment of Section 43A of the Companies Act 1956, the word “Private” was added to the name of our Company on October 12, 2001. Pursuant to a special resolution of our shareholders at an Extraordinary General Meeting held on January 29, 2007, our Company became a public limited company and the word “Private” was deleted from its name. The Certificate of Incorporation to reflect the new name was issued on March 28, 2007 by the RoC.

The evolution of our name as a brand can be traced in history dating back to the year 1758, i.e. an history of over 250 years when Lord Ligonier, Colonel of the 1st Foot Guards, appointed Richard Cox, as his regimental agent for handling the affairs, pay and sundry obligations of the officers stationed overseas. Then since the year 1765 it operated as a partnership firm. By the year 1815, the firm became agents and banker to the entire Household Brigade, most of the cavalry and infantry regiments, the Royal Artillery, and the Royal Wagon Train, which later became the Royal Army Service Corps. In the year 1909, Cox & Co. got incorporated as an unlimited company under the Companies (Consolidation) Act, 1908 in London. In October 1922, Cox & Co. absorbed the business of Henry S. King & Co., a small bank with Indian interests, with which the name of Cox & Kings came into existence.

In February 1923 their banking business was taken over by Lloyds Bank Limited. In the year 1960 Lloyds Bank Limited sold this acquired business to National and Grindlays Bank Ltd. In the year 1980 Grindlays Bank Limited divested its non-banking activities because of Governmental regulations. This interest in the travel business was bought by Mr. A.B.M. Good and Mr. John Norman Romney Barber by acquiring Cox & Kings (Holdings) Ltd. (now Cox & Kings Ltd.) along with its subsidiary Cox & Kings Ltd. (now Cox & Kings Travel Ltd.). Cox & Kings under its present ownership continued to operate as Specialized Tour Operator. It also branched out into special interest holidays for artists, botanists and natural historians.

In the year 1980, the Reserve Bank of India vide its letter dated May 14, 1980 permitted Cox & Kings (Agents) Limited to transfer its Indian business to Cox and Kings (India) Limited with effect from October 1, 1978. Cox & Kings (Agents) Limited, however, continued with its business from its head office in London. In consideration of this purchase of business, Cox and Kings (India) Limited issued our shares to Cox & Kings (Agents) Limited. As a condition of Indianisation imposed by the Reserve Bank of India, Cox and Kings (India) Limited issued and allotted 60% of the shares to resident Indians and Staff Gratuity Trust Fund.

Ajay Ajit Peter Kerkar and Urrshila Kerkar bought Equity Shares of Cox and Kings (India) Limited from the existing shareholders of our Company for the first time on May 09, 1981 and thereafter consolidated their shareholding by way of rights issues in March 1990, August 1996, November 1998 and June 2005 through the allotment of additional shares/subscription to renunciation in the rights issues including purchases from the existing shareholder during the said period. Liz Investments Private Limited acquired the Equity Shares from the existing shareholders for the first time on September 21, 1988 and similarly consolidated its shareholding in the rights issue by the Company March 1990, August 1996, November, 1998 and June 2005. Upon conclusion of these rights issues in June 2005 Ajay Ajit Peter Kerkar, Urrshila Kerkar, Liz Investments Private Limited and Mr. A.B.M. Good collectively held 3,842,450 Equity Shares representing 70.63% of the outstanding capital of the Company.

As on the date of this Red Herring Prospectus, we have 18 members holding equity shares in our Company

## Changes in the Registered Office

Previous Registered Office	New Registered Office	Date of Board Resolution	Reason
P.17 Mission Row Extension	A3 Gillander House, Netaji Subhas Road, Calcutta	May 29, 1957	Administrative convenience
A3 Gillander House, Netaji Subhas Road, Calcutta	Standard Chartered Grindlays Bank Building, 270/272, Dr. D. N. Road, Fort, Mumbai - 400 001	March 16, 1959	Administrative convenience
Standard Chartered Grindlays Bank Building, 270/272, Dr. D. N. Road, Fort, Mumbai - 400 001	1 <sup>st</sup> Floor, Turner Morrison Building, 16 Bank Street, Mumbai – 400 001	August 4, 2005 (with effect from August 6, 2005)	Administrative convenience

## Major Events

Year	Key Events, Milestones and Achievements
1980	Acquisition of Indian business of Cox & Kings (Agents) Ltd.
1996	Foray into Foreign Exchange business
1999	Launch of brands, “ <i>Duniya Dekho</i> ” and “ <i>Bharat Deko</i> ”
2001	Launch of brand, “ <i>FlexiHol</i> ”
2002	Takeover of Foreign Exchange business of Tulip Star Hotels Limited
2006	Acquisition of Clearmine Limited, a U.K. based company, with its wholly owned subsidiary ETN Services Limited
	Establishment of overseas branch offices at Russia and New York
	Incorporation of our overseas subsidiary in Singapore
	Enhancement of Full Fledged Money Changer License to Authorized Dealer Category-II
2007	Acquisition of Cox & Kings Ltd., a U.K. based company, with its wholly owned subsidiary Cox & Kings Travel Ltd. and Cox & Kings (Japan) Ltd., based in Japan pursuant to the FIPB approval dated August 6, 2007
	Incorporation of our overseas subsidiary in Dubai
2008	Acquisition of Tempo Holidays Pty Ltd., based in Australia with its wholly owned subsidiary Tempo Holidays NZ Ltd. based in New Zealand marking our direct presence in these geographies
	Foray in Visa Processing business through acquisition of Quoprrro Global Services Pvt. Ltd.
	Approval from GoI, MEA, the High Commission of India at Singapore for their visa processing services under a newly formed subsidiary Quoprrro Global Services Pte Ltd.
	Formed Joint Venture 'Royale Indian Rail Tours Limited' with IRCTC for luxury train-based tourism in India
2009	Acquisition of East India Travel Company Inc., a U.S. based company for direct and better presence therein
	Incorporation of our subsidiary in U.K. in the name of Quoprrro Global Limited
	Incorporation of a step- down overseas subsidiary in Hong Kong

## Main Objects of our Company

The object clauses of our Company enable us to undertake the activities for which the funds are being raised in the Issue as also the activities which our Company has been carrying on till date.

Our main objects as contained in our Memorandum of Association are as under:

- (1) To carry on the business of travel agents and tour operators for travel in India or elsewhere and providing assistance in

booking travel tickets including e-ticketing and internet ticketing and reservations for accommodation in hotels, inns, restaurants, shows, concerts, plays, theatres, games, guest houses, and all other types of lodging with bed and breakfast or mere lodgings, visit to safari parks, national parks, museums, bird sanctuaries, reservations including on line reservations for conducting tours by buses, airlines, ships, boats, hovercrafts, whether by way of excursion or otherwise whether package tours or otherwise, sleeping cars, guides, safe deposits, lockers, libraries, reading rooms, rest rooms, recreation room, baggage transport, baggage clearing and forwarding, inquiry bureaus, to act as agents of foreign airlines, ships, ship-owners and other charters and other operators, caterers, storekeepers, interpreters, and instructors of foreign language and guides, members of all club and boards set up by any country or body or promoting tourism hotels and tourist agencies, or cab owners or owners of other transport, agents for advertising and promoting any tours in India and abroad and to provide services relating to international/domestic cargo, arranging crew accommodation, crew transport, worldwide obtaining over flight permissions, landing permission for the flight operating for commercial purpose, arranging of in flight services including catering, aircraft clearing and promoting other products and services provided by third party for travelling convenience etc. and generally to do everything which would facilitate travelling of persons in groups or otherwise and for tourists and operating tours and for that purpose to set up such establishment, office, equipment, transport system and all and other facilities that may be requisite to the carrying on the business of travel agents and tours operators.

- (2) Subject to the provisions of Foreign Exchange Management Act 1999, the directions of RBI and other applicable laws in force, to carry on in India or elsewhere, the business of full-fledged and /or restricted money changer and Authorised Dealers of all foreign currencies and to buy, sell and deal in foreign currencies of all kinds and types whether in the forms of Coins, Banks Notes or Travellers Cheques, to conduct transaction of all type and description in foreign currencies and to convert foreign currencies into Indian Rupees and vice versa. The Company shall not however, do Banking Business as defined in the Banking Act, 1949.
- (3) To carry on the business of carriers of mails, passengers and goods by land, sea or air.
- (4) To establish, maintain, manage and work transport services of all kinds, by air, sea, river, canal, railway, underground railway, overhead railway, aerial ropeways, road, or otherwise and to enter into contracts with any Government, person, Firm or company as to joint working, interchange of traffic running powers or otherwise, and to carry on the business of a transport company, a railway company, railway contractors, a tramway company, a port company, a harbour development company, shippers, ship-builders, ship-owners, ship charterers, ship brokers, managers of shipping property, omnibus, taxi-cab, and hackney carriage proprietors, tourist agents, common carriers, general carrier, forwarding agents, lighlerinen, wharfingers, warehousemen and stores of goods, wares and merchandise of every kind and description.
- (5) To acquire, provide, build, lay out, prepare, organize, equip, promote, establish, maintain, control, superintend, work and carry on aerodromes, air stations, flying grounds, flying schools, wireless 3telegraph stations, railway and tramway stations, ports, docks, piers, quays, harbours petrol pumps and stations, wharves, ferries, bridges, race-courses, exhibition grounds, grand and other Stands, hangars, garages, sheds, and other accommodation or erections for or in relation to aerial and other conveyances of all kinds, and to promote, arrange for, conduct and organise exhibitions, demonstrations, regattas, race meetings, competition and trial tests for aviation aeronauts, balloonists, parachutists, motorists, cyclists and drivers of motor boats and air, river and sea craft of all kinds, with or without the offer and distribution of prizes in connection therewith, and to give instruction in the arts of flying, gliding, aeroplaning, hydroplaning, ballooning, parachuting, motoring, and navigating dirigible balloons, airships and air, river and sea craft of all kinds, and to carry on the business of restaurant and hotel keepers and caterers and to build or otherwise provide and conduct refreshment rooms, newspaper rooms, reading and writing rooms, safe deposits, dressing rooms, cloak rooms, lavatories, ambulance stations, hospitals, telephones, telegraphs, and other conveniences, and to provide dwellings and other accommodation for pilots, drivers, signalmen, workmen and others and to construct and maintain buildings, works and conveniences of all kinds.
- (6) To repair, alter, clean, warehouse, prepare, hire, let on hire (with or without drivers or pilots) ply for hire with, buy, sell, and deal in automobiles motor cars, cycles, lorries, ships, vessels engines and machines, aeroplanes, seaplanes, flying boats, hydroplanes, airships, balloons, dirigible balloons, parachutes, kites, flying machines, aircraft of all descriptions, conveyances of ail kinds, whether by air, sea, river, canal, railway, road or otherwise, and all component parts and fittings thereof and accessories thereto, and all kinds of machinery, apparatus, implements, tools, utensils, appliances, lubricants, cements, solutions, enamels, fuels, materials, substances, articles, and things capable of being

used in connection therewith or likely to be required by the customers of any such business.

- (7) To carry on all kinds of agency business, and to take part in the management, supervision or control of the business or operations of any other company, association, firm or person (and to act as the Managing Agents, Agents, Secretaries or other officers of any such company, association, firm or person) and in connection therewith to appoint and remunerate any Directors, Accountants and other experts or agents.
- (8) To carry on as a subsidiary the business of banking in all its branches and departments, including the borrowing, raising or taking up money, the lending or advancing money on securities and property, discounting, buying, selling and dealing in bills of exchange, promissory notes, coupons, drafts, bills of lading, warrants, debentures, certificates, script and other instruments and securities, whether transferable or negotiable or not, the granting and issuing of letters of credit and circular notes, the buying selling and dealing with stocks, funds, shares, debentures, debenture stocks, bonds, obligations and other securities.
- (9) To lend money, either with or without security, and generally to such persons and upon such terms and conditions as the Company may think fit.
- (10) To carry on the business of general manufacturers and to manufacture, buy sell and deal in apparatus, machinery, materials and articles of all kinds.
- (11) To acquire by purchase, lease, exchange or otherwise, lands, buildings and hereditaments of any tenure or description, and any estate or interest therein, and any rights over or connected with land, and either to retain the same for the purpose of the Company's business or to turn the same to account as may seem expedient.
- (12) To sink wells and shafts, lay down pipes, construct, maintain and improve any tramways, telegraph lines, canals, reservoirs, water-courses, warehouses, sheds, and other buildings and works calculated, directly or indirectly, to advance the interest of the Company, and to pay or contribute to the expense of constructing, maintaining, and improving any such works.
- (13) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with any of the above or calculated, directly or indirectly, to enhance the value of or render profitable any of the company's property or rights.
- (14) To construct, carry out, maintain, improve, manage, work, control and superintend any hats, markets, reservoirs, water-works, tanks, bridges and works in connection therewith, hydraulic works, electrical works and factories, coolie lines and houses, and bustees, villages and other works and conveniences, which may seem, directly or indirectly, conducive to any of the objects of the Company, and to contribute to, subsidies or otherwise aid or take part in any such operations.
- (15) To acquire and undertake all or any part of the business, property and liabilities of any person or company carrying on any business which this Company is authorised to carry on or possessed of property suitable for the purposes of the Company.
- (16) To apply for, purchase or otherwise acquire any patents, brevets d'invention, licenses, concessions and the like conferring any exclusive or non-exclusive or limited right to us, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated, directly or indirectly, to benefit the Company, and to use, exercise develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired.
- (17) To enter into partnership or into any arrangement for sharing profits into any union of interests, joint-venture, reciprocal concession or co-operation with any person or persons or company or companies carrying on, or engaged in, or about to carry on or engage in, or being authorised to carry on or engage in, any business or transaction which this Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company.
- (18) To take or otherwise acquire and hold shares in any other company.



- (19) To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company or for any other purpose which may seem, directly or indirectly, calculated to benefit this company.
- (20) To invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may from time to time be determined.
- (21) To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture-stock, contracts, mortgages, charges, obligations, instruments, and securities of any company or of any authority, supreme, municipal, local or otherwise or of any persons whomsoever, whether incorporated or not incorporated, and generally to guarantee or become sureties for the performance of any contracts or obligations.
- (22) To enter into any arrangement with any Government or authority, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them and to obtain from any such Government or authority all rights, concessions and privileges which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (23) To establish and support, or aid in the establishment and support of associations, institutions funds, trusts and conveniences calculated to benefit employees or ex-employees of the Company or its predecessors in business or the dependents or connections of such persons and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition for any public, general or useful objects.
- (24) To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture-stock perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital and to purchase, redeem and pay off any such securities.
- (25) To remunerate any persons or company for services rendered, or to be rendered, in placing or assisting to place, or guaranteeing the placing of, any shares in the Company's capital or any debentures, debenture-stock or other securities of the Company or in or about the formation or promotion of the Company or the acquisition of property by the Company or the conduct of its business.
- (26) To draw, make, accept, discount, execute and issue bills of exchange. Government of India and other promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.
- (27) To undertake and execute any trust, the undertaking of which may seem to the Company desirable, and either gratuitously, or otherwise.
- (28) To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company.
- (29) To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
- (30) To aid, pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement, or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.
- (31) To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.
- (32) To distribute all or any of the property of the Company amongst the members in specie or kind.
- (33) To do all or any of the above things, either as principals, agents, trustees, contractors or otherwise, and either alone or

in conjunction with others, and either by or through agents, sub-contractors, trustees, or otherwise and either alone or in conjunction with others and to do all such things as are incidental or conducive to the attainment of the above objects.

- (34) To act as brokers, agents, representatives, surveyors, sub-insurance agents, franchisers, consultants, advisors, collaborators, in life and general insurance.
- (35) To engage in all activities which are incidental and allied or related to insurance business and for this purpose to apply, approach acquire, hold and procure such rights, titles entitlements, licences and permission from Government, Semi-Government, local authorities, public bodies, undertaking and from such other authorities as may be necessary and expedient.
- (36) To arrange insurance cover and or purchase or sell endowments and annuities either for lives or for years, or on survivorships and either immediate, deferred, determinable, contingent or reversionary and to purchase invest in, sell, life, reversionary and other estates, interests and securities, whether in real or personal property and generally to undertake and transact all matters and business which may be any way connected with or depend on contingencies.

#### **Amendments to our Memorandum of Association**

Since incorporation, the following changes have been made to our Memorandum of Association:

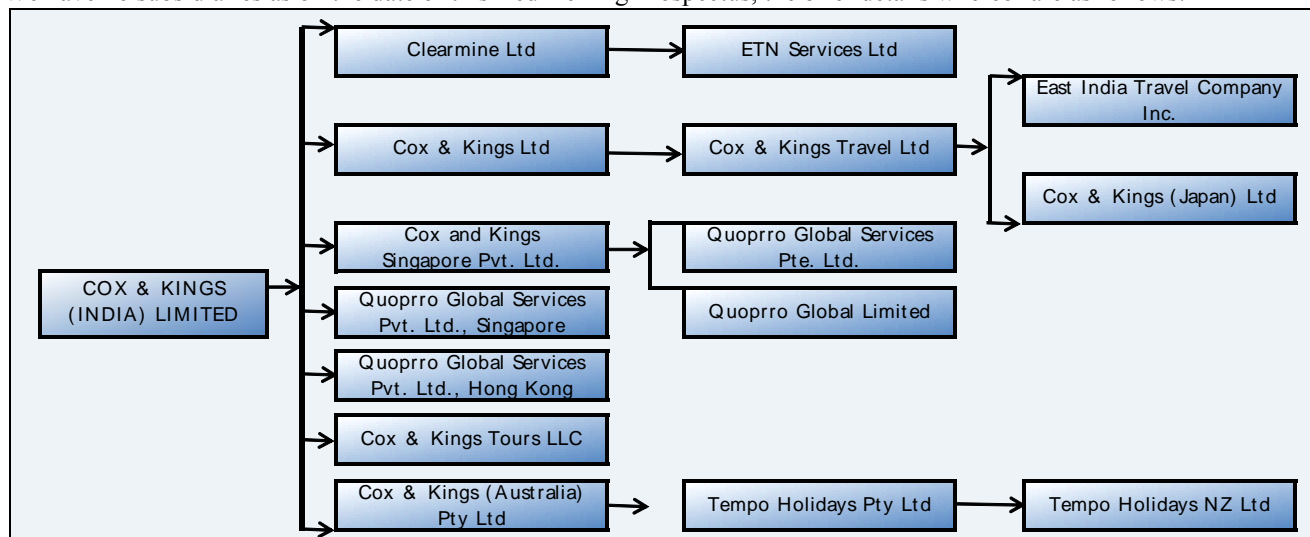
<b>Date of Shareholders' Approval</b>	<b>Details of Amendments in the Memorandum of Association</b>
December 29, 1949	Alteration of Clause 2 by deleting the words "The Eastern Carrying Co. Ltd." & substituting the words "Cox and Kings (India) Ltd."
October 17, 1958	Alteration of Clause 2, the word "State of Bombay" shall be substituted for the words "Province of Bengal".
June 3, 1980	Increase in the authorised share capital to Rs. 0.1 million consisting of 100,000 equity shares of Rs.10/- each.
July 19, 1982	Increase in the authorised share capital to Rs. 0.5 million consisting of 500,000 equity shares of Rs.10/- each.
February 28, 1995	Increase in the authorised share capital of Rs. 0.8 million consisting of 800,000 equity shares of Rs.10/- each.
December 22, 1998	Increase in the authorised share capital of Rs. 25 million consisting of 13,00,000 equity shares of Rs.10/- each, 100,000 cumulative redeemable preference shares of Rs.100/- each and 200,000 unclassified shares of Rs.10/- each.
October 12, 2001	Pursuant to amendment of Section 43A of the Companies Act 1956, the word "Private" was added to the name of the Company
May 2, 2005	Increase in the authorised share capital of Rs.100 million consisting of 1,000,000 equity shares of Rs. 10/- each.
January 29, 2007	Alteration of the Main Object Clause of the Company.
January 29, 2007	Alteration of Name Clause of the Company by deleting the word "Private" from the name of the company.
June 25, 2007	Alteration of the Articles of Association by deleting sub clause (i) of 31 and substituting clause 32 by a new clause.
September 19, 2007	Increase in authorized share capital from Rs. 100 Million to Rs. 400 Million.
January 1, 2009	Increase in authorized share capital from Rs. 400 Million to Rs. 1,100 Million.

#### **Our Past Performance**

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to "Financial Statements" on page 171 of this Red Herring Prospectus.

## Our Subsidiaries

We have 26 subsidiaries as on the date of this Red Herring Prospectus, the brief details whereof are as follows:



Note: → implies 100% shareholding except Cox & Kings (Japan) Ltd. in which the rest of shareholding is held jointly by Cox and Kings (India) Ltd. 41.17% and Cox & Kings Tours LLC 25.50%; Cox & Kings Tours (LLC) which represents 100% beneficial ownership (though 49% shareholding). Besides, Cox & Kings Ltd. holds, directly or indirectly, 11 wholly owned dormant subsidiaries not included above but the details of which are given below.

SN	Name of our Subsidiary	Country of Origin	Effective date of control / acquisition	Mode of Control / Acquisition	Consideration
1	Clearmine Limited	United Kingdom	30-Mar-06	Cash Consideration	Rs.156 Millions; (GBP 2Mn)
2	ETN Services Limited	United Kingdom	30-Mar-06	Subsidiary of Clearmine	
3	Cox and Kings Singapore Pvt. Limited	Singapore	15-May-06	Incorporated as a Subsidiary under FDI route	
4	Cox & Kings Tours LLC	UAE	07-Feb-07	Incorporated as a Subsidiary under FDI route	
5	Cox & Kings Limited	United Kingdom	01-Sep-07	Acquired by swap of shares approved by FIPB vide its letter dtd August 6, 2007 worth Rs.390 Mn along with Subsidiary Cox & Kings Travel	
6	Cox & Kings Travel Limited	United Kingdom	01-Sep-07		
7	Cox & Kings (Japan) Limited	Japan	01-Sep-07	Acquired by swap of shares approved by FIPB vide its letter dtd August 6, 2007 worth Rs20Mn	
8	Cox & Kings (Shipping) Ltd.	United Kingdom	01-Sep-07	Subsidiary of Cox & Kings Limited	
9	Cox & Kings Holdings Limited	United Kingdom	01-Sep-07	Subsidiary of Cox & Kings Limited	
10	Cox & Kings Enterprises Ltd.	United Kingdom	01-Sep-07	Subsidiary of Cox & Kings Limited	
11	C & K Investments Limited	United Kingdom	01-Sep-07	Subsidiary of Cox & Kings Limited	
12	Grand Tours Limited	United Kingdom	01-Sep-07	Subsidiary of Cox & Kings Travel Limited	
13	Cox & Kings Spl. Int. Holidays	United Kingdom	01-Sep-07	Subsidiary of Cox & Kings Limited	
14	Cox & Kings Tours Limited	United Kingdom	01-Sep-07	Subsidiary of Cox & Kings Holdings Limited	
15	Cox & Kings Investment Ltd.	United Kingdom	01-Sep-07	Subsidiary of Cox & Kings Limited	
16	Cox & Kings (Agents) Limited	United Kingdom	01-Sep-07	Subsidiary of Cox & Kings Limited	
17	Cox & Kings Finance Limited	United Kingdom	01-Sep-07	Subsidiary of Cox & Kings Limited	
18	Cox & Kings Fin. (Mau.) Ltd.	Mauritius	01-Sep-07	Subsidiary of Cox & Kings Limited	
19	Cox & Kings (Aus) Pty Ltd.	Australia	25-Feb-08	Incorporated as a Subsidiary under FDI route	
20	Tempo Holidays Pty. Limited	Australia	05-Nov-08	Cash Consideration	\$27Mn
21	Tempo Holidays NZ Limited	New Zealand	19-Dec-08	Subsidiary of Tempo Holidays Pty Limited	
22	Quoprrro Global Serv. Pvt. Ltd.	India	1-Oct-08	Cash Consideration	Rs. 0.1 Million
23	Quoprrro Global Serv. Pte. Ltd.	Singapore	8-Sep-08	Subsidiary of Cox and Kings Singapore Pvt. Limited	
24	East India Travel Company Inc.	United States	09-Apr-09	Cash Consideration	\$22Mn
25	Quoprrro Global Limited	United Kingdom	28-Aug-09	Incorporated as a Subsidiary under FDI route	
26	Quoprrro Global Services Private Limited	Hong Kong	28-Aug-09	Subsidiary of Cox and Kings Singapore Pvt. Limited	

## 1. Clearmine Limited ('Clearmine')

Clearmine became our wholly owned subsidiary with effect from March 30, 2006 when we acquired the company. Clearmine was incorporated on March 5, 2004 as a private company limited by shares under the Companies Act 1985 with the Registrar of Companies for England and Wales (Co. Regn. No.5118944). It was incorporated with the objects to carry on the business as a general commercial company; and any other trade or business which may seem to the company and its directors to be advantageous and to directly or indirectly enhance all or any of the business of the company. Its principle activity is that of a holding company. The registered office is situated at 6<sup>th</sup> Floor, 30, Millbank, London SW1P 4EE.

### *Shareholding Pattern*

The shareholding pattern of Clearmine as on October 15, 2009 was as follows:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Cox and Kings (India) Limited	1,500	100
<b>Total</b>	<b>1,500</b>	<b>100</b>

### *Board of Directors*

The Board of Directors comprises of Mr. Ajay Ajit Peter Kerkar, Ms. Urrshila Kerkar and Mr. Pesi Patel

### *Financial Performance*

The following table sets forth the summary audited financial data of Clearmine in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Year Ended March 31,			For the three months
	2007	2008	2009	period ended June 30, 2009
Income / Sales	-	-	-	-
Profit / (Loss) After Tax	-	-	-	-
Equity Share Capital	0.12	0.12	0.11	0.12
Reserves & Surplus (excluding Revaluation Reserves)	11.23	11.23	10.21	11.07
Earnings Per Share (in Rs; FV GBP 1)	-	-	-	-
Net Asset Value or Book Value Per Share (in Rs; FV GBP 1)	7,565.11	7,565.11	6,807.74	7,457.33

## 2. ETN Services Limited ('ETN Services')

ETN Services is a wholly owned subsidiary of Clearmine and, thus, became our wholly owned subsidiary with the acquisition of Clearmine with effect from March 30, 2006. ETN Services was incorporated on July 14, 1997 under the Companies Act 1985 as a private company limited by shares with the Registrar of Companies for England and Wales (Co. Regn. No. 3402832) and with the object of carrying on the business as a general commercial company. The name has changed from European Travel Network (ETN) Limited to its current name on July 10, 2000. Its principle activity is that of incoming tour operator. The registered office is situated at 6<sup>th</sup> Floor, 30, Millbank, London SW1P 4EE.

### *Shareholding Pattern*

The shareholding pattern of ETN Services as on October 15, 2009 was as follows:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Clearmine Limited	2	100
<b>Total</b>	<b>2</b>	<b>100</b>

### **Board of Directors**

The Board of Directors comprises of Mr. Ajay Ajit Peter Kerkar, Ms. Urrshila Kerkar and Mr. Pesi Patel.

### **Financial Performance**

The following table sets forth the summary audited financial data of ETN Services in accordance with Indian GAAP:

*Rs. in million (except share data)*

<b>Particulars</b>	<b>For the Year Ended March 31,</b>			<b>For the three months period ended June 30,</b>
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2009</b>
Income / Sales (Gross Turnover)	498.73	500.86	453.14	221.26
Gross Profits (i.e. Gross Turnover less Cost of Sales)	74.35	100.42	131.04	35.92
Profit / (Loss) After Tax	(1.21)	11.13	34.14	17.07
Equity Share Capital	0.00016	0.00016	0.00015	0.00016
Reserves & Surplus (excluding Revaluation Reserves)	61.36	72.49	97.93	124.11
Earnings Per Share (in Rs; FV GBP 1)	(605360.50)	5563566.50	17069685.93	8533318.69
Net Asset Value or Book Value Per Share (in Rs; FV GBP 1)	30680785.50	36243669.50	48967054.63	62057049.39

### **3. Cox and Kings Singapore Pvt. Limited (“Cox and Kings Singapore”)**

Cox and Kings Singapore (formely known as CNK Internet Pte Limited till October 27, 2009) was incorporated as our subsidiary on May 15, 2006 under the Companies Act, Cap. 50 in the Republic of Singapore (ACRA No. 200606947R) as a private company limited by shares, to carry on the business of tourism including online travel booking of air tickets, land tours and hotel rooms reservations. The objects of Cox and Kings Singapore also provide to carry on the same business in all its branches and to act as travelling agents and to provide or promote for tourists and travellers conveniences of all kinds including conducted tours, chartered flights, sleeping berths, hotel and lodging accommodations, guides, inquiry bureaus, baggage transport and any other business auxiliary and incidental to the foregoing or connected therewith. Its principle activities are that of the travel agencies and tour operators. The registered office is situated at No. 8, Temasek Boulevard, #22-03 Suntec Tower Three Singapore 038988.

### **Shareholding Pattern**

The shareholding pattern of Cox and Kings Singapore as of October 15, 2009 was as follows:

<b>Name of Shareholder</b>	<b>No. of Equity Shares</b>	<b>% of Issued Capital</b>
Cox and Kings (India) Limited	100,000	100
<b>Total</b>	<b>100,000</b>	<b>100</b>

### **Board of Directors**

The Board of Directors comprises of Ms. Urrshila Kerkar, Ms. Anjali S. Iyer and Teh Chuah Tee.

### **Financial Performance**

The following table sets forth the summary audited financial data of Cox and Kings Singapore in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Year Ended March 31,			For the three months period ended June 30,
	2007*	2008	2009	2009
Income / Sales	0.009	0.017	0.01	0.00
Profit / (Loss) After Tax	(1.06)	(3.32)	(4.58)	(0.98)
Equity Share Capital	2.68	2.68	3.43	3.35
Reserves & Surplus (excluding Revaluation Reserves)	(1.05)	(4.36)	(10.46)	(11.17)
Earnings Per Share (in Rs; FV SGD 1)	(10.58)	(33.15)	(45.83)	(9.78)
Net Asset Value or Book Value Per Share (in Rs; FV SGD 1)	16.27	(16.76)	(70.27)	(78.28)

*\*for the period from the date of its incorporation*

#### 4. Cox & Kings Tours (LLC)

Cox & Kings Tours (LLC) was incorporated on February 7, 2007 in Dubai, United Arab Emirates, in accordance with the provisions of Article 218 of the UAE Commercial Companies Law, under the provisions of Federal Law No. 8 of 1984 concerning commercial companies and its amending legislation as a limited liability company. It operates under the trading licence (No. 592327) issued by the Department of Tourism and Commerce Marketing of the Government of Dubai, UAE, to carry on the business of Tour Services. The registered office is situated at Office No. 221, Nasir Ahamed Lootah Building, PO Box No-31126, Dubai, United Arab Emirates.

##### **Shareholding Pattern**

The shareholding pattern of Cox and Kings Tours (LLC) as on October 15, 2009 was as follows:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Mr. Ghanim Mubarak Ghanim Ghansham	153	51
Cox and Kings (India) Limited	147	49
<b>Total</b>	<b>300</b>	<b>100</b>

Although Cox and Kings (India) Limited holds 49% of equity shares in Cox & Kings Tours (LLC) it has a 100% beneficiary interest in it pursuant to a management agreement dated February 7, 2007 between Cox and Kings (India) Limited and Mr. Ghanim Mubarak Ghanim Ghansham. Hence, Cox & Kings Tours (LLC) is considered to be a subsidiary of Cox and Kings (India) Limited.

##### **Board of Directors**

As of date there are no directors of Cox & Kings Tours (LLC).

##### **Financial Performance**

The following table sets forth the summary audited financial data of Cox and Kings Tours LLC in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Year Ended March 31,			For the three months period ended June 30,
	2007*	2008	2009	2009
Income / Sales	-	6.17	89.74	20.33
Profit / (Loss) After Tax	(1.40)	(7.18)	59.48	7.72
Equity Share Capital	3.26	3.26	4.26	3.97
Reserves & Surplus (excluding Revaluation Reserves)	(1.04)	1.10	154.29	160.45
Earnings Per Share (in Rs; AED 1000)	(4654.27)	23944.40	198273.17	25726.16
Net Asset Value or Book Value Per Share (in	14512.71	7377.42	207472.08	548098.06

Rs; FV AED 1000)				
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*\*for the period from the date of its incorporation*

## 5. Cox & Kings Limited

Cox & Kings Limited originally called J. A. Bishop Limited was incorporated under the Companies Act, 1929 in London on July 20, 1936, the name of which was changed to Cox & Kings (Holdings) Ltd. on June 6, 1963 and eventually to Cox & Kings Limited on July 22, 1980 (Co. Regn. No. 00316651). It is governed by the Companies Acts 1985 to 2006 as a private company limited by shares. The principle activity of the company is that of an investment holding company and in particular to co-ordinate the administration of any companies which shall from time to time be subsidiaries of the company and generally to act as bankers for customers and others. The main activity of the group is that of tour operators and travel operators. The registered office is situated at 6<sup>th</sup> Floor, 30, Millbank, London SW1P 4EE. Cox & Kings Limited became our wholly owned subsidiary on September 1, 2007 when we acquired it along with its subsidiaries.

### *Shareholding Pattern*

The shareholding pattern of Cox & Kings Limited as on October 15, 2009 was as follows:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Cox and Kings (India) Limited	1,427,875	100
<b>Total</b>	<b>1,427,875</b>	<b>100</b>

### *Board of Directors*

The Board of Directors comprises of Mr. A.B.M. Good, Dr. A. B. Kerkar and Mr. Ajay Ajit Peter Kerkar.

### *Financial Performance*

The following table sets forth the summary of the consolidated audited financial data of Cox & Kings Limited in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Year Ended March 31,			For the three months period ended June 30,
	2007	2008	2009	2009
Income / Sales (Gross Turnover)	2,089.02	3,446.21	2099.14	523.54
Gross Profits (i.e. Gross Turnover less Cost of Sales)	559.92	735.44	615.26	172.43
Profit / (Loss) After Tax	85.60	150.61	177.37	15.89
Equity Share Capital	113.66	113.66	105.89	114.74
Reserves & Surplus (excluding Revaluation Reserves)	195.56	326.81	460.58	549.07
Earnings Per Share (in Rs; FV GBP 1)	59.95	105.48	124.22	11.13
Net Asset Value or Book Value Per Share (in Rs; FV GBP 1)	216.56	308.48	396.72	464.90

## 6. Cox & Kings Travel Limited

Cox & Kings Travel Limited originally called Cox's Shipping Agency (France) Limited was incorporated under the Companies Acts, 1908 and 1913, on May 23, 1916, the name of which was changed to Cox & Kings Limited on June 6, 1963 and eventually changed to Cox & Kings Travel Limited on July 22, 1980 (Co. Regn. No. 00143904). It is governed by the Companies Acts 1985 to 2006 as a private company limited by shares to carry on the business of the shipping agency and forwarding agency in all its branches and in all parts of the world, and to act as agents for merchants and shippers and also as agents for carriers by land, sea, air and water. Also to carry on the business of the Insurance in all its branches & the business as travellers 'and tourists' agents with all kinds of transit business and the business of assurance of any of the classes mentioned in Section 1 of the Assurance Companies Act, 1909. Its principle

activity is of tour operators and travel organisers. The registered office is situated at 6<sup>th</sup> Floor, 30, Millbank, London SW1P 4EE. Cox & Kings Travel Limited is a wholly owned subsidiary of Cox & Kings Limited and with the acquisition of Cox & Kings Limited it became our wholly owned subsidiary on September 1, 2007.

### **Shareholding Pattern**

The shareholding pattern of Cox & Kings Travel Limited as on October 15, 2009 was as follows:

<b>Name of Shareholder</b>	<b>No. of Equity Shares</b>	<b>% of Issued Capital</b>
Cox & Kings Limited	639,000	100
<b>Total</b>	<b>639,000</b>	<b>100</b>

### **Board of Directors**

The Board of Directors comprises of Mr. A.B.M. Good, Mr. Ajay Ajit Peter Kerkar and Dr. A. B. Kerkar.

### **Financial Performance**

The following table sets forth the summary audited financial data of Cox & Kings Travel Limited, in accordance with Indian GAAP:

*Rs. in million (except share data)*

<b>Particulars</b>	<b>For the Year Ended March 31,</b>			<b>For the three months period ended June 30,</b>
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2009</b>
Income / Sales (Gross Turnover)	2089.02	2209.31	2099.14	433.95
Gross Profits (i.e. Gross Turnover less Cost of Sales)	559.92	623.86	615.26	149.52
Profit / (Loss) After Tax	78.36	110.31	144.60 <sup>#</sup>	26.96
Equity Share Capital	52.09	52.09	47.39	51.35
Reserves & Surplus (excluding Revaluation Reserves)	163.65	273.94	384.71	445.30
Earnings Per Share (in Rs; FV GBP 1)	122.63	172.62	226.28	42.19
Net Asset Value or Book Value Per Share (in Rs; FV GBP 1)	337.62	510.22	676.20	777.22

<sup>#</sup>excluding revaluation gain of Rs.35.61 million

## **7. Cox & Kings (Japan) Limited**

We acquired 41.17% shareholding of Cox & Kings (Japan) Limited on September 1, 2007, and the rest of its shareholding is held by Cox & Kings Travel Limited and Cox & Kings Tours LLC, which are our wholly owned subsidiaries. Thus, Cox & Kings (Japan) Limited effectively operates as our wholly owned subsidiary. Cox & Kings (Japan) Limited was incorporated on July 19, 1990 under the laws of Japan. Its objects, as mentioned in its incorporation document, are to conduct the business as an agency for arranging transportation, accommodation outside Japan and providing other service related to travels for tourists, import /export and sale of folk craft, clothes, jewellery and daily sundries, an agency for non-life insurance, import/export and sale of computer software, travel business under the Travel Business Law, consultation service for the management of golf courses, amusement parks, and sports facilities and related matters, publishing and translation and all business related to the above. The principle activity is to carry on the business of tours and travels and its registered office is situated at Tokyoto, Chiyodaku, Maruno Uchi, Ni Chome 6-3.



### Shareholding Pattern

The shareholding pattern of Cox and King Japan as on October 15, 2009 was as follows:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Cox & Kings Travel Ltd.	200	33.33
Cox & Kings Tours LLC	153	25.50
Cox and Kings (India) Limited	247	41.17
<b>Total</b>	<b>600</b>	<b>100.00</b>

### Board of Directors

The Board of Directors comprises of Mr. A.B.M. Good, Mr. Ajay Ajit Peter Kerkar, Ms. Urrshila Kerkar, Mr. Arup Sen, Mr. Khalid M Malik, Mr. Matsui Yoshizumi, Mrs. Matsui Chieko, Mr. Matsui Takazumi, Mr. Takigawa Masao and Mr. Tanabe Yoshihiro

### Financial Performance

The following table sets forth the summary audited financial data of Cox & Kings (Japan) Limited in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Year Ended March 31,			For the three months period ended June 30,
	2007	2008	2009	2009
Income / Sales (Gross Turnover)	1591.02	1951.34	2759.00	609.70
Gross Profits (i.e. Gross Turnover less Cost of Sales)	134.35	176.02	298.97	68.93
Profit / (Loss) After Tax	(0.31)	31.48	97.92	21.25
Equity Share Capital	11.05	12.07	16.09	15.28
Reserves & Surplus (excluding Revaluation Reserves)	41.32	78.58	217.20	227.59
Earnings Per Share (in Rs; FV JPY1)	(513.82)	52464.23	163202.46	35420.69
NAV or Book Value Per Share (in Rs; FV JPY 50000)	87280.40	151081.32	388828.23	404768.74

## 8. Cox & Kings (Shipping) Limited

Cox & Kings (Shipping) Limited (change in name from Robert Tucker & Co. Limited on November 17, 1975) was incorporated on June 14, 1965 (Co. Regn. No. 00851566) and is governed by the Companies Acts 1948 as a private company limited by shares to carry on the business of export and import. The registered office is situated at 6th Floor, 30 Millbank, London, SW1P 4EE. It is a wholly owned subsidiary of Cox & Kings Limited and, thus, became our wholly owned subsidiary on September 1, 2007 through our acquisition of Cox & Kings Limited.

### Shareholding Pattern

The shareholding pattern of Cox & Kings (Shipping) Limited as on October 15, 2009 was as follows:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Cox & Kings Limited	1,999	99.95
Mr. A.B.M. Good	1	0.05
<b>Total</b>	<b>2,000</b>	<b>100</b>

### Board of Directors

The Board of Directors comprises of Mr. A.B.M. Good and Mr. Ajay Ajit Peter Kerkar.

### **Financial Performance\***

The following table sets forth the summary audited financial data of Cox & Kings (Shipping) Limited in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Year Ended March 31,			For the three months period ended June 30,
	2007	2008	2009	2009
Income / Sales	-	-	-	-
Profit / (Loss) After Tax	-	-	-	-
Equity Share Capital	0.16	0.16	0.15	0.16
Reserves & Surplus (excluding Revaluation Reserves)	(0.55)	(0.55)	(0.50)	(0.54)
Earnings Per Share (in Rs; FV GBP 1)	-	-	-	-
Net Asset Value or Book Value Per Share (in Rs; FV GBP 1)	(191.08)	(191.08)	(173.83)	(188.36)

*\*Under section 249 AA (1), Companies Act, 1985 of United Kingdom, dormant companies are exempted from having annual audited accounts.*

### **9. Cox & Kings Holdings Limited**

Cox & Kings Holdings Limited was incorporated on November 29, 1993 (Co. Regn. No. 02875874) and is governed by the Companies Acts 1985 to 2006 as a private company limited by shares to carry on the business as a general commercial company. The registered office is situated at 6th Floor, 30 Millbank, London, SW1P 4EE. It is a wholly owned subsidiary of Cox & Kings Limited and, thus, became our wholly owned subsidiary on September 1, 2007 through our acquisition of Cox & Kings Limited.

#### **Shareholding Pattern**

The shareholding pattern of Cox & Kings Holdings Limited as of October 15, 2009 was as follows:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Cox & Kings Limited	2	100
<b>Total</b>	<b>2</b>	<b>100</b>

#### **Board of Directors**

The Board of Directors comprises of Mr. A.B.M. Good and Mr. Ajay Ajit Peter Kerkar.

### **Financial Performance\***

The following table sets forth the summary audited financial data of Cox & Kings Holdings Limited in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Year Ended March 31,			For the three months period ended June 30,
	2007	2008	2009	2009
Income / Sales	-	-	-	-
Profit / (Loss) After Tax	-	-	-	-
Equity Share Capital	0.00016	0.00016	0.00015	0.00016
Reserves & Surplus (excluding Revaluation Reserves)	-	-	-	-
Earnings Per Share (in Rs; FV GBP 1)	-	-	-	-
Net Asset Value or Book Value Per Share (in Rs; FV GBP 1)	82	82	74	80

*\*Under section 249 AA (1), Companies Act, 1985 of United Kingdom, dormant companies are exempted from having annual audited accounts.*

#### 10. Cox & Kings Enterprises Limited

Cox & Kings Enterprises Limited (change in name from Lowfell Limited on July 16, 1992) was incorporated on April 7, 1992 (Co. Regn. No. 02704647) and is governed by the Companies Acts 1985 to 2006 as a Company limited by Shares to carry on the business as a general commercial company. The registered office is situated at 6th Floor, 30 Millbank, London, SW1P 4EE. It is a wholly owned subsidiary of Cox & Kings Limited and, thus, became our wholly owned subsidiary on September 1, 2007 through our acquisition of Cox & Kings Limited.

##### **Shareholding Pattern**

The shareholding pattern of Cox & Kings Enterprises Limited as of October 15, 2009 was as follows:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Cox & Kings Limited	99	99
Mr. Ajay Ajit Peter Kerkar	1	1
<b>Total</b>	<b>100</b>	<b>100</b>

##### **Board of Directors**

The Board of Directors comprises of Mr. A.B.M. Good and Mr. Ajay Ajit Peter Kerkar

##### **Financial Performance\***

The following table sets forth the summary audited financial data of Cox & Kings Enterprises Limited in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Year Ended March 31,			For the three months period ended June 30,
	2007	2008	2009	2009
Income / Sales	-	-	-	-
Profit / (Loss) After Tax	-	-	-	-
Equity Share Capital	0.0082	0.0082	0.0074	0.0080
Reserves & Surplus (excluding Revaluation Reserves)	-	-	-	-
Earnings Per Share (in Rs; FV GBP 1)	-	-	-	-
Net Asset Value or Book Value Per Share (in Rs; FV GBP 1)	82	82	74	80

*\*Under section 249 AA (1), Companies Act, 1985 of United Kingdom, dormant companies are exempted from having annual audited accounts.*

#### 11. C & K Investments Limited

C & K Investments Limited (change in name from Cox & Kings Financial Services Limited on March 6, 1995) was incorporated on August 1, 1994 (Co. Regn. No. 02954542) and is governed by the Companies Acts 1985 to 2006 as a private company limited by shares to carry on the business as a general commercial company. The registered office is situated at 6th Floor, 30 Millbank, London, SW1P 4EE. It is a wholly owned subsidiary of Cox & Kings Limited and, thus, became our wholly owned subsidiary on September 1, 2007 through our acquisition of Cox & Kings Limited.

### **Shareholding Pattern**

The shareholding pattern of C & K Investments Limited as on October 15, 2009 was as follows:

<b>Name of Shareholder</b>	<b>No. of Equity Shares</b>	<b>% of Issued Capital</b>
Cox & Kings Limited	2	100
<b>Total</b>	<b>2</b>	<b>100</b>

### **Board of Directors**

The Board of Directors comprises of Mr. A.B.M. Good and Mr. Ajay Ajit Peter Kerkar

### **Financial Performance\***

The following table sets forth the summary audited financial data of C & K Investments Limited in accordance with Indian GAAP:

*Rs. in million (except share data)*

<b>Particulars</b>	<b>For the Year Ended March 31,</b>			<b>For the three months</b>
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>period ended June 30,</b>
				<b>2009</b>
Income / Sales	-	-	-	-
Profit / (Loss) After Tax	-	-	-	-
Equity Share Capital	0.00016	0.00016	0.00015	0.00016
Reserves & Surplus (excluding Revaluation Reserves)	-	-	-	-
Earnings Per Share (in Rs; FV GBP 1)	-	-	-	-
Net Asset Value or Book Value Per Share (in Rs; FV GBP 1)	82	82	74	80

*\*Under section 249 AA (1), Companies Act, 1985 of United Kingdom, dormant companies are exempted from having annual audited accounts.*

## **12. Grand Tours Limited**

Grand Tours Limited (change in name from Grandart Limited on April 21, 1988) was incorporated on October 7, 1975 (Co. Regn. No. 01228985) and is governed by the Companies Acts 1948 to 1967 as a private company limited by shares to carry on the business of art appreciation in all its forms including tours, lectures and various other means to encourage appreciation of all kinds of art and as investors and dealers in art in all its forms. The registered office is situated at 6th Floor, 30 Millbank, London, SW1P 4EE. It is a wholly owned subsidiary of Cox & Kings Travel Limited and, thus, became our wholly owned subsidiary on September 1, 2007 through our acquisition of Cox & Kings Travel Limited.

### **Shareholding Pattern**

The shareholding pattern of Grand Tours Limited as on October 15, 2009 was as follows:

<b>Name of Shareholder</b>	<b>No. of Equity Shares</b>	<b>% of Issued Capital</b>
Cox & Kings Travel Limited	510	100
<b>Total</b>	<b>510</b>	<b>100</b>

### **Board of Directors**

The Board of Directors comprises of Mr. A.B.M. Good and Mr. Ajay Ajit Peter Kerkar.

### **Financial Performance\***

The following table sets forth the summary audited financial data of Grand Tours Limited in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Year Ended March 31,			For the three months period ended June 30,
	2007	2008	2009	2009
Income / Sales	-	-	-	-
Profit / (Loss) After Tax	-	-	-	-
Equity Share Capital	0.04	0.04	0.04	0.04
Reserves & Surplus (excluding Revaluation Reserves)	(0.04)	(0.04)	(0.04)	(0.04)
Earnings Per Share (in Rs; FV GBP 1)	-	-	-	-
Net Asset Value or Book Value Per Share (in Rs; FV GBP 1)	-	-	-	-

*\*Under section 249 AA (1), Companies Act, 1985 of United Kingdom, dormant companies are exempted from having annual audited accounts.*

### **13. Cox & Kings Special Interest Holidays Limited**

Cox & Kings Special Interest Holidays Limited (change in name from Limecoate Limited on October 15, 1982) was incorporated on August 18, 1982 (Co. Regn. No. 01659021) and is governed by the Companies Acts 1985 to 2006 as a private company limited by shares to carry on the business of travel agents and to organise, arrange and facilitate travelling. The registered office is situated at 6th Floor, 30 Millbank, London, SW1P 4EE. It is a wholly owned subsidiary of Cox & Kings Limited and, thus, became our wholly owned subsidiary on September 1, 2007 through our acquisition of Cox & Kings Limited.

#### **Shareholding Pattern**

The shareholding pattern of Cox & Kings Special Interest Holidays Limited as on October 15, 2009 was as follows:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Cox & Kings Limited	1,999	99.95
Mr. A.B.M. Good	1	0.05
<b>Total</b>	<b>2,000</b>	<b>100</b>

#### **Board of Directors**

The Board of Directors comprises of Mr. A.B.M. Good and Mr. Ajay Ajit Peter Kerkar.

### **Financial Performance\***

The following table sets forth the summary audited financial data of Cox & Kings Special Interest Holidays Limited in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Year Ended March 31,			For the three months period ended June 30,
	2007	2008	2009	2009
Income / Sales	-	-	-	-
Profit / (Loss) After Tax	-	-	-	-
Equity Share Capital	0.16	0.16	0.15	0.16
Reserves & Surplus (excluding Revaluation Reserves)	(3.09)	(3.09)	(2.88)	(3.12)
Earnings Per Share (in Rs; FV GBP 1)	-	-	-	-

Net Asset Value or Book Value Per Share (in Rs; FV GBP 1)	(1466.43)	(1466.43)	(1366.03)	(1480.41)
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*\*Under section 249 AA (1), Companies Act, 1985 of United Kingdom, dormant companies are exempted from having annual audited accounts.*

#### 14. Cox & Kings Tours Limited

Cox & Kings Tours Limited was incorporated on November 29, 1993 (Co. Regn. No. 02876183) and is governed by the Companies Acts 1985 to 2006 as a private company limited by shares to carry on the business as a general commercial company. The registered office is situated at 6th Floor, 30 Millbank, London, SW1P 4EE. It is a wholly owned subsidiary of Cox & Kings Holdings Limited and, thus, became our wholly owned subsidiary on September 1, 2007 through our acquisition of Cox & Kings Limited, the parent of Cox & Kings Holdings Limited.

##### *Shareholding Pattern*

The shareholding pattern of the Cox & Kings Tour Limited as on October 15, 2009 was as follows:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Cox & Kings Holdings Limited	2	100
<b>Total</b>	<b>2</b>	<b>100</b>

##### *Board of Directors*

The Board of Directors comprises of Mr. A.B.M. Good and Mr. Ajay Ajit Peter Kerkar.

##### *Financial Performance*

The following table sets forth the summary audited financial data of Cox & Kings Tours Limited in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Year Ended March 31,			For the three months period ended June 30,
	2007	2008	2009	2009
Income / Sales	-	-	-	-
Profit / (Loss) After Tax	-	-	-	-
Equity Share Capital	0.00016	0.00016	0.00015	0.00016
Reserves & Surplus (excluding Revaluation Reserves)	-	-	-	-
Earnings Per Share (in Rs; FV GBP 1)	-	-	-	-
Net Asset Value or Book Value Per Share (in Rs; FV GBP 1)	82	82	74	80

*\*Under section 249 AA (1), Companies Act, 1985 of United Kingdom, dormant companies are exempted from having annual audited accounts.*

#### 15. Cox & Kings Investment Limited

Cox & Kings Investment Limited was incorporated on November 21, 2006 (Co. Regn. No. 06004493) and is governed by the Companies Act 1989 as a private company limited by shares to carry on the business as a general commercial company. The registered office is situated at 6th Floor, 30 Millbank, London, SW1P 4EE. It is a wholly owned subsidiary of Cox & Kings Limited and, thus, became our wholly owned subsidiary on September 1, 2007 through our acquisition of Cox & Kings Limited.

### **Shareholding Pattern**

The shareholding pattern of Cox & Kings Investment Limited as on October 15, 2009 was as follows:

<b>Name of Shareholder</b>	<b>No. of Equity Shares</b>	<b>% of Issued Capital</b>
Cox & Kings Limited	1	100
<b>Total</b>	<b>1</b>	<b>100</b>

### **Board of Directors**

The Board of Directors comprises of Mr. A.B.M. Good, Mr. Ajay Ajit Peter Kerkar and Dr. A. B. Kerkar.

### **Financial Performance\***

The following table sets forth the summary audited financial data of Cox & Kings Investment Limited in accordance with Indian GAAP:

*Rs. in million (except share data)*

<b>Particulars</b>	<b>For the Year Ended March 31,</b>			<b>For the three months</b>
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>period ended June 30,</b>
				<b>2009</b>
Income / Sales	-	-	-	-
Profit / (Loss) After Tax	-	-	-	-
Equity Share Capital	0.000082	0.000082	0.000074	0.000080
Reserves & Surplus (excluding Revaluation Reserves)	-	-	-	-
Earnings Per Share (in Rs; FV GBP 1)	-	-	-	-
Net Asset Value or Book Value Per Share (in Rs; FV GBP 1)	82	82	74	80

*\*Under section 249 AA (1), Companies Act, 1985 of United Kingdom, dormant companies are exempted from having annual audited accounts.*

## **16. Cox & Kings (Agents) Limited**

Cox & Kings (Agents) Limited (change from Longwood Travel Ltd. on September 4, 2007) was incorporated on November 21, 2006 (Co. Regn. No. 06004516) and is governed by the Companies Acts 1985 to 2006 as a private company limited by shares to carry on the business as a general commercial company. The registered office is situated at 6th Floor, 30 Millbank, London, SW1P 4EE. It is a wholly owned subsidiary of Cox & Kings Limited and, thus, became our wholly owned subsidiary on September 1, 2007 through our acquisition of Cox & Kings Limited.

### **Shareholding Pattern**

The shareholding pattern of Cox & Kings (Agents) Ltd. as on October 15, 2009 was as follows:

<b>Name of Shareholder</b>	<b>No. of Equity Shares</b>	<b>% of Issued Capital</b>
Cox & Kings Limited	1	100
<b>Total</b>	<b>1</b>	<b>100</b>

### **Board of Directors**

The Board of Directors comprises of Mr. A.B.M. Good, Mr. Ajay Ajit Peter Kerkar and Dr. A. B. Kerkar.

### **Financial Performance\***

The following table sets forth the summary audited financial data of Cox & Kings (Agents) Limited in accordance with Indian GAAP.

*Rs. in million (except share data)*

Particulars	For the Year Ended March 31,			For the three months period ended June 30,
	2007	2008	2009	2009
Income / Sales	-	-	-	-
Profit / (Loss) After Tax	-	-	-	-
Equity Share Capital	0.000082	0.000082	0.000074	0.000080
Reserves & Surplus (excluding Revaluation Reserves)	-	-	-	-
Earnings Per Share (in Rs; FV GBP 1)	-	-	-	-
Net Asset Value or Book Value Per Share (in Rs; FV GBP 1)	82	82	74	80

*\*Under section 249 AA (1), Companies Act, 1985 of United Kingdom, dormant companies are exempted from having annual audited accounts.*

#### 17. Cox & Kings Finance Limited

Cox & Kings Finance Ltd. was incorporated on November 21, 2006 (Co. Regn. No. 06004503) and is governed by the Companies Acts 1985 to 2006 as a private company limited by shares to carry on the business as a general commercial company. The registered office is situated at 6th Floor, 30 Millbank, London, SW1P 4EE. It is a wholly owned subsidiary of Cox & Kings Limited and, thus, became our wholly owned subsidiary on September 1, 2007 through our acquisition of Cox & Kings Limited.

##### *Shareholding Pattern*

The shareholding pattern of Cox & Kings Finance Ltd. as on October 15, 2009 was as follows:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Cox & Kings Limited	1	100
<b>Total</b>	<b>1</b>	<b>100</b>

##### *Board of Directors*

The Board of Directors comprises of Mr. A.B.M. Good, Mr. Ajit Ajit Peter Kerkar and Dr. A. B. Kerkar.

##### *Financial Performance\**

The following table sets forth the summary audited financial data of Cox & Kings Finance Limited in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Year Ended March 31,			For the three months period ended June 30,
	2007	2008	2009	2009
Income / Sales	-	-	-	-
Profit / (Loss) After Tax	-	-	-	-
Equity Share Capital	0.000082	0.000082	0.000074	0.000080
Reserves & Surplus (excluding Revaluation Reserves)	-	-	-	-
Earnings Per Share (in Rs; FV GBP 1)	-	-	-	-
Net Asset Value or Book Value Per Share (in	82	82	74	80



Particulars	For the Year Ended March 31,			For the three months period ended June 30,
	2007	2008	2009	2009
Rs; FV GBP 1)				

*\*Under section 249 AA (1), Companies Act, 1985 of United Kingdom, dormant companies are exempted from having annual audited accounts.*

#### 18. Cox & Kings Finance (Mauritius) Ltd.

Cox & Kings Finance (Mauritius) Ltd. was incorporated in the Republic of Mauritius on March 31, 1997 as a private company limited by shares under the Companies Act 1984, to engage in any offshore business or businesses whatsoever, which are not prohibited under the laws for the time being in force in the Republic of Mauritius. The Company is now registered under the Companies Act 2001, (Co. No. 17691/3071). It holds a Category 1 Global Business Licence and is regulated by the Financial Services Act 2007. The present registered office is situated at Suites 340-345, Barkly Wharf, Le Caudan Waterfront, P.O. Box 1070, Port Louis, Republic of Mauritius. Its principle activity is that of investment holding. It is a wholly owned subsidiary of Cox & Kings Limited and, thus, became our wholly owned subsidiary on September 1, 2007 through our acquisition of Cox & Kings Limited.

#### *Shareholding Pattern*

The shareholding pattern of Cox & Kings Finance (Mauritius) Ltd. as on October 15, 2009 was as follows:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Cox and Kings Limited	12,000	100
<b>Total</b>	<b>12,000</b>	<b>100</b>

#### *Board of Directors*

The Board of Directors comprises of Mr. Ajay Ajit Peter Kerkar, Mr. Kuldeepsingh Moheeta and Mr. Fawzee Hossenbaccas.

#### *Financial Performance*

The following table sets forth the summary audited financial data of Cox & Kings Finance (Mauritius) Ltd. in accordance with Indian GAAP:

*Rs. in millions (except share data)*

Particulars	For the Year Ended March 31,			For the three months period ended June 30,
	2007	2008	2009	2010
Income / Sales	-	-	-	-
Profit / (Loss) After Tax	(0.14)	(0.20)	(0.51)	(0.11)
Equity Share Capital	0.48	0.48	0.61	0.75
Reserves & Surplus (excluding Revaluation Reserves)	(1.98)	(2.18)	(3.34)	(3.26)
Earnings Per Share (in Rs; FV USD1)	(11.58)	(16.62)	(42.40)	(9.09)
Net Asset Value or Book Value Per Share (in Rs; FV USD 1)	(125.27)	(141.72)	(227.55)	(223.71)

#### 19. Cox & Kings (Australia) Pty. Ltd.

We incorporated Cox & Kings (Australia) Pty. Ltd. on February 25, 2008 under the Corporations Act 2001 and registered it in Victoria (ACN 129 863 887) as a proprietary company and is limited by shares. The registered office is situated at Level 5, 574 St Kilda Road, Melbourne VIC 3004. It is our wholly owned subsidiary and a holding company of our acquired company Tempo Holidays Pty. Ltd.

#### *Shareholding Pattern*

The shareholding pattern of Cox & Kings (Australia) Pty. Ltd. as on October 15, 2009 was as follows:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Cox and Kings (India) Limited	1,000	100
<b>Total</b>	<b>1,000</b>	<b>100</b>

#### **Board of Directors**

The Board of Directors comprises of Mr. Ajay Ajit Peter Kerkar, Mr. Gregory Keith Wren and Mr. Patrick Henry Tully.

#### **Financial Performance**

The following table sets forth the summary of the consolidated audited financial data of Cox & Kings (Australia) Pty. Ltd. in accordance with Indian GAAP:

Particulars	<i>Rs. in millions (except share data)</i>	
	For the Period Ended* March 31, 2009	For the three months period ended June 30, 2009
Income / Sales	180.99	227.49
Profit / (Loss) After Tax	(92.49)	144.43
Equity Share Capital	0.04	0.04
Reserves & Surplus (excluding Revaluation Reserves)	74.83	124.90
Earnings Per Share (in Rs; FV AUD 1)	(92,494.01)	144,425.60
Net Asset Value or Book Value Per Share (in Rs; FV AUD 1)	74,867.38	124934.92

\*for the period from the date of its incorporation

## **20. Tempo Holidays Pty. Ltd.**

We acquired Tempo Holidays Pty. Ltd. with effect from November 5, 2008 and it is a wholly owned subsidiary of Cox & Kings (Australia) Pty. Ltd. Tempo Holidays Pty. Ltd. was incorporated on November 9, 1989 (ACN: 007331213) with the name of 'Telrock Pty. Ltd.' as a proprietary company and limited by shares with National Companies and Securities Commission, Companies (Victoria) Code. The name was subsequently changed to 'Ya'lla Tours Pty. Ltd.' on December 8, 1989, which was further changed to 'Accent Holidays Pty. Ltd.' on October 19, 2001, and then was changed to its current name on October 31, 2001. The principle activity of the company is to carry on the business as a travel and tour operator. The registered office is situated at Level 5, 574 St Kilda Road, Port Melbourne, VIC 3004.

#### **Shareholding Pattern**

The shareholding pattern of Tempo Holidays Pty. Ltd. as on October 15, 2009 was as follows:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Cox and Kings (Australia) Pty. Ltd.	117,000	100
<b>Total</b>	<b>117,000</b>	<b>100</b>

#### **Board of Directors**

The Board of Directors comprises of Mr. Ajay Ajit Peter Kerkar, Mr. Khalid Malik, Mr. Steven Michael Reynolds and Mr. Patrick Henry Tully

#### **Financial Performance**

The following table sets forth the summary audited financial data of Tempo Holidays Pty. Ltd. in accordance with Indian GAAP:

*Rs. in millions (except share data)*

Particulars	For the Year Ended June 30,			For the five months period ended March 31*	For the three months period ended June 30,
	2006	2007	2008	2009	2009
Income / Sales	271.50	324.06	384.59	177.81	90.47
Profit / (Loss) After Tax	34.99	36.87	78.20	47.62	6.13
Equity Share Capital	3.91	4.05	4.82	4.17	4.58
Reserves & Surplus (excluding Revaluation Reserves)	49.89	66.48	153.52	190.05	215.03
Earnings Per Share (in Rs; FV AUD 1)	299.03	315.12	668.37	406.97	52.40
Net Asset Value or Book Value Per Share (in Rs; FV AUD 1)	459.90	602.81	1353.37	1660.02	1877.03

\* Effective date of acquisition being November 5, 2009

## 21. Tempo Holidays NZ Ltd.

Tempo Holidays NZ Ltd. (a wholly owned subsidiary of Tempo Holidays Pty Ltd) became our wholly owned subsidiary pursuant to our acquisition of Tempo Holidays Pty Ltd with effect from December 19, 2008. It was incorporated on December 17, 2004 under the Companies Acts 1993 (1572193) with the nature of business being Travelling Services The registered office is situated at Level 1, 333 Remuera Road, Auckland.

### Shareholding Pattern

The shareholding pattern of Tempo Holidays NZ Ltd. as on October 15, 2009 was as follows:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Tempo Holidays Pty. Ltd.	1,000	100
<b>Total</b>	<b>1,000</b>	<b>100</b>

### Board of Directors

The Board of Directors comprises of Mr. Ajay Ajit Peter Kerkar and Mr. Patrick Henry Tully.

### Financial Performance

The following table sets forth the summary audited financial data of Tempo Holidays NZ Ltd. in accordance with Indian GAAP:

*Rs. in millions (except share data)*

Particulars	For the 12 Month Year Ended*			For the three months period ended
	June 30, 2005	June 30, 2006	March 31, 2009	June 30, 2009
Income / Sales	0.08	9.99	2.28	3.39
Profit / (Loss) After Tax	(2.90)	(3.83)	(0.68)	(0.49)
Equity Share Capital	0.03	0.03	0.03	0.03
Reserves & Surplus (excluding Revaluation Reserves)	(2.90)	(6.71)	(0.52)	(1.07)
Earnings Per Share (in Rs; FV NZD 1)	(2898.43)	(3844.70)	680.06	(486.37)
Net Asset Value or Book Value Per Share (in Rs; FV NZD 1)	(2864.82)	(6709.55)	488.42	(1039.44)

\* figures from July 01, 2006 to March 31, 2008 are not available as they were not audited w/s 19 of the Financial Reporting Act, 1993, New Zealand

## 22. Quoprro Global Services Pvt. Ltd.

Quoprro Global Services Pvt. Ltd. is our wholly owned subsidiary since we acquired this company on October 1, 2008. It was incorporated on May 16, 2008 under the Companies Act, 1956 as a private limited company to carry on the business of providing visa facilitation service to diplomatic missions in India, embassies, consulates, airlines, travel agents, travel manager, associations, trade and travel bodies, government bodies, body corporate and to enter into, carry on, establish a central processing centre (website) that would provide applicants through the medium of internet facility of online tracking of visa application, online payment for visa, online appointment scheduling system. The registered office is situated at 1st Floor, Cecil Court, Lansdowne Road, Colaba, Mumbai – 400 039.

### *Shareholding Pattern*

The shareholding pattern of Quoprro Global Services Pvt. Ltd. as on October 15, 2009 of subsidiary was as follows:

<b>Name of Shareholder</b>	<b>No. of Equity Shares</b>	<b>% of Issued Capital</b>
Cox and Kings (India) Limited	10,000	100
<b>Total</b>	<b>10,000</b>	<b>100</b>

### *Board of Directors*

The Board of Directors comprises of Ms. Urrshila Kerkar, Mr. Arup Sen and Mr. Pesi Patel

### *Financial Performance*

The following table sets forth the summary audited financial data of Quoprro Global Services Pvt. Ltd. in accordance with Indian GAAP:

*Rs. in millions (except share data)*

<b>Particulars</b>	<b>For the Period Ended* March 31,2009</b>	<b>For the three months period ended June 30, 2009</b>
Income / Sales	-	-
Profit / (Loss) After Tax	(0.35)	-
Equity Share Capital	0.10	0.10
Reserves & Surplus (excluding Revaluation Reserves)	(0.35)	(0.35)
Earnings Per Share (in Rs; FV Rs.10/-)	34.64	-
Net Asset Value or Book Value Per Share (in Rs; FV Rs.10/-)	(24.64)	(24.64)

*\*for the period from the date of its incorporation*

## 23. Quoprro Global Services Pte. Ltd.

Quoprro Global Services Pte. Ltd. was incorporated on September 8, 2008 under the Companies Act (Cap. 50) in the Republic of Singapore (ACRA No. 200817744R) as a private company limited by shares. The principle activities are that of the outsourced business solution, visa processing, business management and consultancy services. The registered office is situated at No. 8, Temasek Boulevard, #22-03 Suntec Tower Three Singapore 038988. It is a wholly owned subsidiary of Cox and Kings Singapore Pvt. Limited which itself is our wholly owned subsidiary.

### *Shareholding Pattern*

The shareholding pattern of Quoprro Global Services Pte. Ltd. as on October 15, 2009 was as follows:

<b>Name of Shareholder</b>	<b>No. of Equity Shares</b>	<b>% of Issued Capital</b>
Cox and Kings Singapore Pvt. Limited	200,000	100
<b>Total</b>	<b>200,000</b>	<b>100</b>

### **Board of Directors**

The Board of Directors comprises of Ms. Urrshila Kerkar, Ms. Anjali S. Iyer and Teh Chuah Tee.

### **Financial Performance**

The following table sets forth the summary audited financial data of Quoprro Global Services Pte. Ltd. in accordance with Indian GAAP:

*Rs. in millions (except share data)*

<b>Particulars</b>	<b>For the Period Ended* March 31,2009</b>	<b>For the three months period ended June 30, 2009</b>
Income / Sales	4.95	8.15
Profit / (Loss) After Tax	(5.68)	(3.27)
Equity Share Capital	6.86	6.69
Reserves & Surplus (excluding Revaluation Reserves)	(6.05)	(9.16)
Earnings Per Share (in Rs; FV SGD 1)	28.38	16.33
Net Asset Value or Book Value Per Share (in Rs; FV SGD 1)	4.09	12.34

*\*for the period from the date of its incorporation*

### **24. East India Travel Company Inc.**

East India Travel Company Inc. (erstwhile Cox & Kings Travel Inc. with the change to its current name on December 15, 1994) was incorporated on February 16, 1989 as a corporation organised under the General Corporation Law of Delaware, with the nature of the business or purpose to be conducted or promoted to engage in any lawful act or activity for which corporations may be organised under this law. It is engaged in conducting tours around the world. The registered office is situated at 25 Davis Boulevard, Tampa, Florida 33606 – 3499, USA.

### **Shareholding Pattern**

The shareholding pattern of East India Travel Company Inc. as on October 15, 2009 was as follows:

<b>Name of Shareholder</b>	<b>No. of Equity Shares</b>	<b>% of Issued Capital</b>
Cox and Kings Travel Limited	600	100
<b>Total</b>	<b>600</b>	<b>100</b>

### **Board of Directors**

The Board of Directors comprises of Mr. Ajay Ajit Peter Kerkar and Mr. Armand Bachaspatimayum

### **Financial Performance**

The following table sets forth the summary audited financial data of East India Travel Company Inc. in accordance with Indian GAAP:

*Rs. in millions (except share data)*

<b>Particulars</b>	<b>For the Year Ended December 31,</b>			<b>For the three months period ended</b>	<b>For the three months period ended</b>
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>March 31, 2009</b>	<b>June 30, 2009</b>
Income / Sales	107.41	85.61	138.06	47.98	24.47
Profit / (Loss) After Tax	1.40	24.57	39.91	16.18	0.73

Particulars	For the Year Ended December 31,			For the three months period ended	For the three months period ended
	2006	2007	2008	March 31, 2009	June 30, 2009
Equity Share Capital	0.05	0.04	0.03	0.03	0.03
Reserves & Surplus (excluding Revaluation Reserves)	16.79	39.89	82.17	111.63	106.12
Earnings Per Share (in Rs; FV USD 1)	1,397.63	24,566.76	66,519.97	26,968.33	1,214.20
Net Asset Value or Book Value Per Share (in Rs; FV USD 1)	16,833.03	39,928.23	136,992.08	186,105.20	176,920.99

## 25. Quoppro Global Limited

Quoppro Global Limited was incorporated on August 28, 2009 under the Companies Act 1985 in the Companies House, Cardiff (Company number 07004341), as a private company limited by shares, with the objective to carry on business as a general commercial company. The registered office is situated at 21 St. Thomas Street, Bristol, BS1 6JS. It is formed as a wholly owned subsidiary.

### *Shareholding Pattern*

The shareholding pattern of Quoppro Global Limited as on October 15, 2009 is as follows:

Name of Shareholder	No. of Equity Shares (Face Value of GBP 1)	% of Issued Capital
Cox and Kings (India) Limited	1	100
<b>Total</b>	<b>1</b>	<b>100</b>

### *Board of Directors*

The Board of Directors comprises of Mr. Peter Kerkar and Mr. Sunil Kumar.

### *Financial Performance*

Since the company is newly incorporated the first financial results is yet to be audited.

## 26. Quoppro Global Services Private Limited

Quoppro Global Services Private Limited (No. 1367939) was incorporated on August 28, 2009 in Hong Kong under the Companies Ordinance (Chapter 32) and that this company is private limited. The registered office is 2/F, Teng Fuh, Commercial Building, 333 Queen's Road Central, Sheung Wan, Hong Kong. It is a wholly owned subsidiary of Cox and Kings Singapore Pvt. Limited.

### *Shareholding Pattern*

The shareholding pattern of Quoppro Global Services Private Limited as on October 15, 2009 is as follows:

Name of Shareholder	No. of Equity Shares (Face Value of HKD 1)	% of Issued Capital
Cox and Kings Singapore Pvt. Limited	1	100
<b>Total</b>	<b>1</b>	<b>100</b>

### ***Board of Directors***

The Board of Directors comprise of Ms. Urrshila Kerkar.

### ***Financial Performance***

Since the company is newly incorporated the first financial results is yet to be audited.

### **Joint Ventures**

Companies in which we along with another significant investor(s) jointly control the operations pursuant to an understanding between the two parties have been classified as Joint Ventures. Save and except as mentioned below, as on the date of this Red Herring Prospectus our Company has not entered into such Joint Ventures.

#### **Royale Indian Rail Tours Limited**



Royale Indian Rail Tours Limited is a joint venture company with IRCTC incorporated on November 27, 2008 under the Companies Act, 1956 [CIN U60100DL2008PLC185285]; it received Certificate for Commencement of Business on January 22, 2009. IRCTC had receive an in-principle approval from the Railway Board for running the Luxury Tourist Train in joint venture with us where we would manage the onboard/offboard services, marketing, booking, pricing etc. IRCTC communicated to us vide their letter dated May 26, 2008 for being selected as a joint venture partner based on our technical and financial offer and to form a joint venture company with them for the purpose. Pursuant to which we entered into a Memorandum of Understanding with IRCTC on July 10, 2008 followed by a Joint Venture agreement on December 10, 2008.

#### ***Shareholding Pattern***

The shareholding pattern of Royale Indian Rail Tours Limited as on Oct 15, 2009 was as follows:

<b>Name of Shareholder</b>	<b>No. of Equity Shares</b>	<b>% of Issued Capital</b>
Cox and Kings (India) Limited	25,00,000	50
IRCTC	25,00,000	50
<b>Total</b>	<b>50,00,000</b>	<b>100</b>

### ***Board of Directors***

1. Dr. Nalin Shinghal
2. Shri Mahendra Pratap Mall
3. Ms. Urrshila Kerkar
4. Mr. Arup Arunabha Sen
5. Mr. Mahalinga Narayanan
6. Mr. Rakesh Kumar Tondan
7. Ms. Rathi Vinay Jha
8. Mr. Vinoo Narain Mathur
9. Mr. Ajay Ajit Peter Kerkar

### **Financial Performance**

Royale Indian Rail Tours Limited was incorporated in the financial year 2009 and, thus, the audited financial performance of only financial year 2009 has been given below:

<b>Particulars</b>	<b>For the Period Ended* March 2009</b>	<b>For the three months period ended June 30, 2009</b>
Income / Sales – Other	0.41	0.65
Profit / (Loss) After Tax	(6.74)	(1.35)
Equity Share Capital	50.00	50.00
Reserves & Surplus (excluding Revaluation Reserves)	(6.74)	(8.09)
Earnings Per Share (in Rs; FV Rs.10/-)	(1.35)	(0.27)
Net Asset Value or Book Value Per Share (in Rs; FV Rs.10/-)	8.65	8.38

*\*for the period from the date of its incorporation*

### **Associate Companies**

A company in which we have a significant influence and which is neither a subsidiary nor a joint venture has been classified as an Associate Company.

As on the date of this Red Herring Prospectus our Company has one such associate company, namely 'Tulip Star Hotels Limited' for details please refer chapter titled 'Our Promoters and Promoter Group Companies' on page 150 of this Red Herring Prospectus.

### **Share Agreements**

Our Company has not entered into any shareholders agreement as on the date of this Red Herring Prospectus.

### **Other Agreements**

Except as stated elsewhere in this Red Herring Prospectus and except various agreements/contracts, which have been entered in regular course of business with our suppliers, customers and lenders, there are no other material agreements or contracts, which have been entered into within a period of two years prior to the date of the Red Herring Prospectus.

### **Strategic and Financial Partners**

Our Company has not entered into any strategic and financial partnerships with any third parties as on the date of this Red Herring Prospectus.



## OUR MANAGEMENT

### Board of Directors

Under our Articles of Association, our Company we are required to have not less than 3 (three) Directors and not more than 12 (twelve) Directors, subject to Section 252 and 259 of the Companies Act, 1956. As on the date of this Red Herring Prospectus, our Company has **6 (six)** Directors on its Board, of which 3 are executive and 3 are independent.

The following table sets forth the current details of the Board of Directors:

Sr. No.	Name, Designation, Father's Name, Address, Occupation, Nationality, and DIN	Date of Appointment as Director and Term	Status	Qualification	Age	Other Directorships
<b>1</b>	<p><b>Mr. A. B. M. Good</b> Chairman</p> <p>S/o. Mr. Meyrick George Bruton Good</p> <p>Clench House, Wootton Rivers, Marlborough, Wiltshire, Gloustershire, SN8 4NT, U.K.</p> <p>Occupation - Business,</p> <p>Nationality: Foreign (British Citizen)</p> <p>DIN - 00189453</p>	<p>Date of Appointment: Executive Director since October 28, 1987</p> <p>Term of Office: As Chairman</p> <p>Liabile to retire by rotation</p>	Promoter Executive	Fellow member of FID (Fellow of the Institute of Directors) and FCIPR (Fellow of the Chartered Institute of Public Relations).	76 years	<ol style="list-style-type: none"> <li>1. Good Relations (India) Private Limited</li> <li>2. Tulip Star Hotels Limited</li> <li>3. Cox &amp; Kings Limited</li> <li>4. UK India Business Council India Private Limited</li> <li>5. Cox &amp; Kings Travel Limited</li> <li>6. The Bolshoi Express Limited</li> <li>7. Cox &amp; Kings (Shipping) Limited</li> <li>8. Cox &amp; Kings Holdings Limited</li> <li>9. Cox &amp; Kings Enterprises Limited</li> <li>10. C &amp; K Investments Limited</li> <li>11. Cox &amp; Kings Special Interest Holidays Limited</li> <li>12. Cox &amp; Kings Tours Limited</li> <li>13. Cox &amp; Kings Investment Limited</li> <li>14. Cox &amp; Kings (Agents) Limited</li> <li>15. Cox &amp; Kings Finance Limited</li> <li>16. Grand Tours Limited</li> <li>17. Cox &amp; Kings (Japan) Limited</li> <li>18. Environmental Journey's Limited</li> </ol>
<b>2</b>	<p><b>Mr. Ajay Ajit Peter Kerkar</b></p> <p>Director,</p> <p>S/o Dr. Ajit B. Kerkar</p>	<p>Date of Appointment: Executive Director since November 30, 1993</p>	Promoter Executive	B.A. with distinction in Economics and Anthropology from Stanford University, USA.	46 years	<ol style="list-style-type: none"> <li>1. Sneh Sadan Graphics Services Private Limited</li> <li>2. Clearmine Limited.</li> <li>3. ETN Services Limited</li> <li>4. Kubber Investments (Mauritius) Private Limited</li> </ol>

Sr. No.	Name, Designation, Father's Name, Address, Occupation, Nationality, and DIN	Date of Appointment as Director and Term	Status	Qualification	Age	Other Directorships
	<p>No.9, South Lands, 4th Floor, Shahid Bhagatsingh Road, Colaba, Mumbai-400 039</p> <p>Occupation - Business,</p> <p>Nationality : Indian</p> <p>DIN- 00202891</p>	<p>Term of Office: As Director</p> <p>Liabe to retire by rotation</p>				<p>5. Cox &amp; Kings Limited</p> <p>6. Cox &amp; Kings (Japan) Limited</p> <p>7. Cox &amp; Kings Travel Limited</p> <p>8. The Bolshoi Express Limited</p> <p>9. Cox &amp; Kings (Shipping) Limited</p> <p>10. Cox &amp; Kings Holdings Limited</p> <p>11. Cox &amp; Kings Enterprises Limited</p> <p>12. C &amp; K Investments Limited</p> <p>13. Cox &amp; Kings Special Interest Holidays Limited</p> <p>14. Cox &amp; Kings Tours Limited</p> <p>15. Cox &amp; Kings Investment Limited</p> <p>16. Cox &amp; Kings (Agents) Limited</p> <p>17. Cox &amp; Kings Finance Limited</p> <p>18. Grand Tours Limited</p> <p>19. Cox &amp; Kings Finance (Mauritius) Limited</p> <p>20. Cox &amp; Kings (Australia) Pty Limited</p> <p>21. Tempo Holidays Pty Limited</p> <p>22. Tempo Holidays NZ Limited</p> <p>23. Environmental Journey's Limited</p> <p>24. East India Travel Company Inc</p>
3	<p><b>Ms. Urrshila Kerkar</b></p> <p>Whole Time Director</p> <p>D/o Dr. Ajit B. Kerkar</p> <p>11, Nowroji Mansion, 31, Woodhouse Road, N. P. Marg, Colaba, Mumbai – 400 039</p>	<p>Date of Appointment: Executive Director since December 1, 2004</p> <p>Term of Office: As Executive</p>	Promoter Executive	BA with distinction in Economics (Bombay University) and Design Associate degrees from Pratt University, New York.	51 years	<p>1. Ezeego One Travels &amp; Tours Limited</p> <p>2. Far Pavilions Tours and Travels Private Limited</p> <p>3. Wandering Travels Private Limited</p> <p>4. Clearmine Limited</p> <p>5. ETN Services Limited</p> <p>6. Cox and Kings Singapore Pvt. Limited</p> <p>7. Forever Travel Distribution Private</p>

Sr. No.	Name, Designation, Father's Name, Address, Occupation, Nationality, and DIN	Date of Appointment as Director and Term	Status	Qualification	Age	Other Directorships
	Occupation – Business,  Nationality: Foreign (British Citizen)  DIN - 00021210	Director  Not Liable to retire by rotation				Limited 8. Quoprro Global Services Private Limited 9. Royale India Rail Tours Limited
4	<b>Mr. Pesi Patel</b>  Director  S/o Mr. Savak Pestonji Patel  Lyndewode House, Bomanji Petit Road, Cumbala Hill, Mumbai-400 026  Occupation - Business,  Nationality : Indian  DIN- 0016091	Date of Appointment: Director since February 5, 1998  Term of Office: As Non-Executive Director  Liable to retire by rotation	Non-Executive, Independent	Bachelor degree in Commerce from Sydenham College, Bombay University.	57 years	1. Full Moon Creative Services Private Limited 2. Liz Investments Private Limited 3. Sneh Sadan Graphics Services Private Limited 4. Tulip Star Hotels Limited 5. Patel Brothers Services & Engineering Private Limited 6. Patex Export Services Private Limited 7. Patel Microdata Private Limited 8. CIM Granites Private Limited 9. Ezeego One Travels and Tours Limited 10. Quoprro Global Services Private Limited 11. Clearmine Limited 12. ETN Services Limited 13. Carver Technology & Equipment Private Limited 14. Forever Travel Distribution Private Limited
5	<b>Mr. Mahalinga Narayanan</b>  Director  S/o Mr. Kuppas Mahalinga Iyer C-4/128, Safdarjung Development Area, New Delhi- 110 016.  Occupation - Business	Date of Appointment: Director since June 13, 2007  Liable to retire by rotation	Non-Executive, Independent	Postgraduate in Commerce, Degree in Law (LLB), Diploma in Business Management (DBM) and Certified Association of Indian Institute of Bankers (CAIIB)	64 years	1. Pride Hotels Limited 2. Gujarat Hotels Limited 3. Royale India Rail Tours Limited

Sr. No.	Name, Designation, Father's Name, Address, Occupation, Nationality, and DIN	Date of Appointment as Director and Term	Status	Qualification	Age	Other Directorships
	Nationality: Indian DIN- 00159288					
6	<b>Mr. Subhash Chandra Bhargava</b> Director S/o Late Jyoti Swarup Bhargava B- 1305, Wing, Dosti Aster (Dosti Acres), New Uphill Link Road, Off. S. M. Road, Wadala (East), Mumbai - 400 037 Occupation – Business Nationality: Indian DIN – 00020021	Date of Appointment: Director since October 1, 2007  Term of Office: As Non-Executive Director  Liable to retire by rotation	Non-Executive, Independent	B. Com. (Honors) (Delhi University) Chartered Accountant and F. C.A. (Fellow of the Institute of Chartered Accountants of India) Membership No. 8848	64 year	1. UTI AMC Limited 2. Aditya Birla Nuvo Limited 3. DCM Shriram Consolidated Limited 4. Escorts Limited 5. Swaraj Engine Limited 6. Jaiprakash Associates Limited 7. Jaiprakash Power Ventures Limited 8. Mudra Lifestyles Limited 9. A. K. Capital Services Limited 10. UTI Retirement Solution Limited 11. G. K. Industrial Part Pvt. Limited 12. OTC Exchange of India Limited

### Brief Biographies of our Directors

#### **Mr. A. B. M. Good**

Mr. Good, 76 years, is the promoter of our Company. He is a Fellow member of the Institute of Directors and a Fellow member of Chartered Institute of Public Relations. After a short stint as management trainee with Distillers Group, a spell in journalism spent five years, first as a Public Relationship Officer and later in due course elevated to a Group marketing role with the then largest independent airline group in U.K. In this capacity, he was involved in setting up a tour operating subsidiary. After forming what later became the London Stock Exchange listed Good Relations Group Plc., he acted as a consultant to Laker and the parent company of British Caledonian Airways for a few years reporting directly to the Chief Executive. In 1971, he was appointed on the Board of Cox & Kings Limited, U.K. and subsequently became the Chairman in 1975. He was also a Director of Grindlays Commercial Holdings Ltd during the period that Cox & Kings remained a wholly owned subsidiary of the bank wherein he was given a consultancy assignment to turn the company into a long haul tour operator specializing in India.

He was appointed on the Board of Cox and Kings (India) Limited, the first time on January 12, 1976. He was again appointed as the director on October 28, 1987 and since then he continues to be on the Board. He is currently the Chairman of our Company, its U.K. subsidiaries and Promoter Group Entity, Good Relations (India) Private Limited. Under his management and guidance we have imbibed quality standards and practices. He has been last re-appointed as a director on our Board in the Annual General Meeting of our Company held on August 10, 2009.

***Mr. Ajay Ajit Peter Kerkar***

Mr. Ajay Ajit Peter Kerkar, 46 years, is the promoter of our Company. He is a graduate in arts (B.A.) with distinction in Economics and Anthropology from Stanford University, USA. He joined Cox & Kings Travel Limited in October of 1986 in the capacity of General Manager. It was under his tenure wherein Cox & Kings Travel Limited, expanded its product geographies from India to sell Latin America, Environmental Journeys, Special Interest Tours, Middle East, Africa, Egypt, China and the Far East.

He has been intimately involved in the growth of our Company and was responsible for the transformation from being a business travel and shipping and forwarding agency to being one of the leading leisure players. He is the driving force behind the Company's initiatives in the geographies in which it operates today. He is based in UK and responsible in the Company for overall leadership, strategy, global centralized buying and international growth, as part of which he has been actively involved in the identification of newer opportunities. Under his leadership, the Company is now positioned as the premier travel company in India as well as a brand leader in the premium market segment in UK, USA and Japan.

He was appointed on the Board of Cox and Kings (India) Limited, the first time on November 30, 1993 and since then he continues to be on the Board. He has been last re-appointed as a director on our Board in the annual general meeting of our Company held on September 29, 2008.

***Ms. Urrshila Kerkar***

Ms. Urrshila Kerkar, 51 years, is the promoter of our Company. She is a graduate in art (B.A.) with distinction in Economics and Psychology from Bombay University and holds an associate degree from Pratt University, NY, USA in Graphic Design.

Prior to joining our Company in 1990, Ms. Kerkar was running her own enterprise, a graphic design and production house which won over 20 international awards for design. Ms. Kerkar initially worked with our Company in an advisory role on marketing and brochures design from 1985 and her role was extended when she joined the Company in 1999 and was made in-charge of Indian Operations.

She has been at the forefront of Company's growth playing a vital role in the development of the Out bound Leisure and Domestic Leisure business and is the driving force behind the Company's IT vision. As an acknowledgement of her valuable contribution to our Company, Ms. Kerkar was invited to be on the Board as an Executive Director in the year 2004 and since then she continues to be on the Board. She has been directly involved and responsible for the day-to-day management of our Company in India and for all the marketing and design initiatives for the Group. She has been last re-appointed as a whole time director on our Board in the annual general meeting of our Company held on September 19, 2007 for a period of five years with effect from September 1, 2007.

***Independent Directors***

***Mr. Pesi Patel***

Mr. Pesi Patel, 57 years, is a non-executive, independent director on our Board. He is a graduate in commerce (B.com) from University of Mumbai.

His experience in the industry spans over three decades. He was first appointed as a director on our Board in the annual general meeting of our Company held on December 22, 1998. He has been director in-charge of business development of the Company since 1999 and is a key member in determining future strategies. He has been last re-appointed as a director on our Board in the annual general meeting of our Company held on September 29, 2008.

***Mr. Mahalinga Narayanan***

Mr. M. Narayanan, 64 years, is a non-executive, independent director on our Board. He is a post graduate in commerce (M.com) and holds a Degree in Law. He is also a Certified Associate of Indian Institute of Bankers (CAIIB).

He has over 40 years of experience and knowledge in the field of Banking and Finance. He has served as Chairman and

Managing Director with Tourism Finance Corporation of India Limited between July 2004 and September 2006. Prior to his tenure as CMD, he did serve as a Managing Director from October 1997 till June 2004. He had also occupied the position of General Manager, Industrial Finance Corporation of India and held senior management positions in IFCI and Bank of Baroda. Mr. Narayanan started his professional career with Reserve Bank of India in June 1964. The Institute of Economic Studies, New Delhi, conferred him with UDYOG Rattan Award in the year 2005 for excellence in performance. He has been first appointed as a director on our Board in the annual general meeting of our Company held on September 19, 2007. He has been last re-appointed as a director on our Board in the annual general meeting of our Company held on August 10, 2009.

**Mr. Subhash Chandra Bhargava**

Mr. Subhash Chandra Bhargava, 64 years, is a non-executive, independent director on our Board. He is a graduate in commerce (B.com) from Delhi University and is a Fellow of the Institute of Chartered Accountants of India.

He has over 40 years of experience and knowledge in the field of Banking and Finance. He had held number of leadership roles within Life Insurance Corporation of India. He has served as Executive Director (Investment) with the Life Insurance Corporation of India wherein he was responsible for looking after investment functions like debt, equity, monitoring corporate sector, investment in infrastructure as well as social sector which involved dealing with State Government bodies and Central Government Undertakings etc. He was with Life Insurance Corporation of India from December 12, 1967 till he retired in July 31, 2005. Presently he is practising as an independent Financial Consultant over a reputable clientele including Banks and Financial Institutions. He has been appointed as a director on our Board in the annual general meeting of our Company held on September 29, 2008.

**Borrowing powers of the Board**

Pursuant to a resolution passed at the Annual General Meeting of the Company held on September 29, 2008, the Board is authorized to borrow monies, from time to time all such sum(s) of money, for the purpose of the Company’s business may exceed the aggregate of the paid-up and its free reserve of the Company (not being reserves set apart for any specific purpose) provided that the total amount of such borrowing together with the amount already borrowed and outstanding shall not exceed the limit of Rs. 3,000 million. Please refer to chapter titled ‘Main Provisions of the Articles of Association’ beginning on page 427 of this Red Herring Prospectus.

**Terms and Conditions of Employment of the Directors**

<b>Name of Director</b>	<b>Contract/ Appointment Letter/Resolution</b>	<b>Details of Remuneration</b>	<b>Term</b>
Mr. A. B. M. Good*	-	-	Liable to retire by rotation
Mr. Ajay Ajit Peter Kerkar**	-	-	Liable to retire by rotation.
Ms. Urrshila Kerkar	Board Resolution dated November 30, 2004	Rs. 3.6 million per annum, which was further increased to Rs. 9.98 million per annum through a resolution dated September 19, 2007.	Not liable to retire by rotation.
Mr. Pesi Patel	Board Resolution dated February 5, 1998	A sitting fees of Rs. 0.02 million for every meeting of the Board and every meeting of the Committee attended by him.	Liable to retire by rotation.
Mr. Mahalinga Narayanan	Board Resolution dated June 13, 2007	A sitting fees of Rs. 0.02 million for every meeting of the Board and every meeting of the Committee attended by him and a commission of Rs.4.00 lacs p.a.	Liable to retire by rotation
Mr. Subhash Chandra Bhargava	Board Resolution dated October 1, 2007	A sitting fees of Rs. 0.02 million for every meeting of the Board and every meeting of the Committee attended by him and a commission of Rs.4.00 lacs p.a.	Liable to retire by rotation

*\*Our Company does not have records of any contract/appointment letter/resolution appointing Mr. A.B.M. Good. However as per the RoC search report dated September 24, 2007, Mr. A. B. M. Good was first appointed in the year 1976.*

*\*\* Mr. Ajay Ajit Peter Kerkar has been the Director of the Company since November 30,1993. The company however does not have the resolution recording his first appointment into the Board of Directors. However, form 32 has been filed with the RoC in this regards.*

### **Remuneration of Whole Time Director**

Save and except as disclosed below there are no service contracts entered into by any of our directors with us:

Ms. Urrshila Kerkar shall be re- appointed as the Whole Time Director of the Company for a period of five years with the effect from 1st September 2007. The terms and conditions of her appointment is given below:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Responsibility</b>
1.	Ms. Urrshila Kerkar	Whole time Director	Overall Management and administration of Indian operation

The remuneration and perquisites payable to Ms. Urrshila Kerkar is as follows:

**(A) Remuneration:** Not exceeding Rs. 5,000,000/- per annum.

**(B) Perquisites and other allowance:** Not exceeding Rs. 6,000,000/- per annum

**(C) Commission:**

Such remuneration by the way of commission, in addition to the salary, incentive remuneration, if any, and benefits, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company or a Committee thereof, at the end of each financial year, subject to the overall ceiling stipulated in Section 198 and 309 of the Companies Act, 1956. The specific amounts payable to the Whole Time Director will be based on Certain performance criteria to be laid down by the Board or a Committee thereof and will be payable annually after the Annual Accounts have been approved by the Board of Directors and Adopted by the Members.

**(D) Perquisites:** Non- Monetary Ceiling perquisites

The following perquisites shall be payable to Ms. Urrshila Kerkar which shall not be included in the computation of the ceiling of remuneration as per schedule XIII of the Companies Act 1956.

**Provident Fund:**

The Company's contribution to Provident Fund, as per the rules of the Company. Contribution to provident fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income Tax Act 1961.

**Gratuity:**

Gratuity not exceeding one- half months' salary for each completed year of service

**Superannuation:**

Superannuation premium as applicable and to the extent it is not taxable under the provisions of the Income Tax Act, 1961

***Leave Encashment:***

Leave salary as per the rules of the Company and Encashment of Leave shall be at the end of the Tenure.

**(E) Increments:**

The Board of Directors shall decide the annual increments payable to Ms. Urrshila Kerkar from time to time. The annual increments will be effective 1<sup>st</sup> April each year and will be decided by the Board or a Committee thereof and will be merit based and take into account the Company's performance.

**(F) Minimum Remuneration:**

Notwithstanding to the contrary herein contained, where in any financial year during the currency of tenure of Ms. Urrshila Kerkar, the company has no profits or its profits are inadequate, the remuneration payable to the whole time director shall be governed by Section II of Part II of Schedule XIII of the Companies Act 1956 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the Ms. Urrshila Kerkar. The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under section 198, 309, 310 and all other applicable provisions if any of the Act read with Schedule XIII of the Act as amended and as in force from time to time.

***Whole Time Director are not entitled to any sitting fees for attending meetings of the Board of Directors or any Committee thereof.***

**Corporate Governance**

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with all requirements of corporate governance under the listing agreement of the Stock Exchanges, particularly those relating to composition of Board of Directors, constitution of committees, etc.

The provisions of the Listing agreements to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI Regulations in respect of corporate governance become applicable to the Company at the time of seeking in-principle approval of the Stock Exchanges. Our Company has taken steps to comply with such provisions, as contained in Equity Listing Agreement, particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee, Shareholder / Investor Grievance Committee, etc. Further, Our Company undertakes to take all necessary steps to comply with all the requirements of the guidelines on corporate governance and adopt the corporate governance code as per Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

***Composition of Board of Directors***

Presently, the Board of Directors of our Company consists of 6 (six) Directors, of which 3 (three) are Executive Director and 3 (three) are Independent Directors. The Chairman of our Company, Mr. A. B. M. Good is an Executive Director. In compliance with the requirements of Clause 49 of the listing agreement, at least 50% of the Board comprises independent Directors. The list of directors is given below:

<b>Sr. No.</b>	<b>Director</b>	<b>Designation</b>
1	Mr. A. B. M. Good	Chairman ( Executive)
2	Mr. Ajay Ajit Peter Kerkar	Executive Director
3	Ms. Urrshila Kerkar	Executive Director
4	Mr. Pesi Patel	Non Executive & Independent Director
5	Mr. Mahalinga Narayanan	Non Executive & Independent Director
6	Mr. Subhash Chandra Bhargava	Non Executive & Independent Director

***Various Committees of Directors:***



We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

1. Audit Committee
2. Remuneration /Compensation Committee
3. Shareholders' / Investor Grievance Committee
4. IPO Committee
5. Finance Committee

**1. Audit Committee**

Our Company had first constituted Audit Committee vide resolution dated July 27, 2007 complying with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. It had been re-constituted vide a resolution dated June 2, 2008 under the Chairmanship of Mr. Mahalinga Narayanan who comes with finance and accounting background. The present Audit Committee has the following members: -

Sr. No	Name of Director	Designation	Executive/Non Executive
1	Mr. Mahalinga Narayanan	Chairman	Non Executive & Independent Director
2	Mr. Pesi Patel	Member	Non Executive & Independent Director
3	Mr. Subhash Chandra Bhargava	Member	Non Executive & Independent Director
4	Mr. A. B. M. Good	Member	Executive Director

The scope of Audit Committee shall include but shall not be restricted to the following:

- i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Appointment, removal and terms of remuneration of internal auditors;
- v. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - ❖ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
  - ❖ Changes, if any, in accounting policies and practices and reasons for the same;
  - ❖ Major accounting entries involving estimates based on the exercise of judgment by management;
  - ❖ Significant adjustments made in the financial statements arising out of audit findings;
  - ❖ Compliance with listing and other legal requirements relating to the financial statements;
  - ❖ Disclosure of any related party transactions;
  - ❖ Qualifications in the draft audit report;
- vi. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- vii. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- viii. Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- ix. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- x. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- xi. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;

- xii. Discussion with internal and statutory auditors on any significant findings and reviewing findings of internal investigations by internal auditors, like matters of fraud or irregularity or failure of internal control systems, if any;
- xiii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xiv. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xv. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
- xvi. To review the functioning of the Whistle Blower mechanism, when the same is adopted by the Company and is existing;
- xvii. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee;

The Audit Committee enjoys following powers: -

- a. To invite such of the executives, as it considers appropriate (and particularly the head of finance function) to be present at the meetings of the Committee,
- b. To investigate any activity within its terms of reference,
- c. To seek information from any employee
- d. To obtain outside legal or other professional advice, and
- e. To secure attendance of outsiders with relevant expertise if considered necessary.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be minuted in the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Company Secretary of our Company acts as the Secretary to the Committee.

### ***Meeting of Audit Committee***

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present.

### **2. Shareholders' / Investors Grievance Committee**

For redressing the Shareholder/ Investor complaints, the Company had first constituted Shareholders'/Investors Grievance Committee vide resolution dated July 27, 2007 as per the requirements of the Clause 49 of the Listing Agreement for Corporate Governance. It had been re-constituted vide a resolution dated June 2, 2008. The present committee consists of the following members:-

Sr. No	Name of Director	Designation	Executive/Non Executive
1	Mr. Pesi Patel	Chairman	Non Executive & Independent Director
2	Mr. Mahalinga Narayanan	Member	Non Executive & Independent Director
3	Mr. Subhash Chandra Bhargava	Member	Non Executive & Independent Director
4	Mr. A. B. M. Good	Member	Executive Director

This committee will address all grievances of Shareholders/Investors in compliance of the provisions of clause 49 of the Listing agreements with the Stock Exchanges and its terms of reference include the following:

- i. Allotment and listing of our shares in future
- ii. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- iii. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- iv. Reference to statutory and regulatory authorities regarding investor grievances;
- v. And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- vi. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

### **3. Remuneration/Compensation Committee**

For Remuneration of Directors, our Company has constituted Remuneration/Compensation Committee vide resolution dated July 27, 2007. Committee has powers of recommending remuneration package to all Directors as per the requirements of the Clause 49 of the Listing Agreement for Corporate Governance. It had been re-constituted vide a resolution dated July 6, 2009. The present committee consists of the following members:-

Sr. No	Name of Director	Designation	Executive/Non Executive
1	Mr. Pesi Patel	Chairman	Non Executive & Independent Director
2	Mr. Mahalinga Narayanan	Member	Non Executive & Independent Director
3	Mr. A. B. M. Good	Member	Executive Director
4	Mr. Ajay Ajit Peter Kerkar	Member	Executive Director
5	Mr. Subhash Chandra Bhargava	Member	Executive Director

The scope of Remuneration/Compensation Committee shall include but shall not be restricted to the following:

- i. To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- ii. To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment;
- iii. To implement, supervise and administer any share or stock option scheme of the Company;
- iv. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

### **Meeting of Remuneration/Compensation Committee**

The Committee is required to meet at least once a year.

#### **4. IPO Committee**

Our Company has constituted an IPO Committee vide resolution dated August 27, 2007 under the Chairmanship of Mr. Ajay Ajit Peter Kerkar. The Board has appointed this committee to oversee and administer the activities to be undertaken for this Issue. It had been re-constituted vide a resolution dated July 6, 2009. The present committee consists of the following members:-

<b>Sr. No</b>	<b>Name of Director</b>	<b>Designation</b>	<b>Executive/Non Executive</b>
1	Mr. Ajay Ajit Peter Kerkar	Chairman	Executive Director
2	Ms. Urrshila Kerkar	Member	Executive Director
3	Mr. Mahalinga Narayanan	Member	Non Executive & Independent Director
4	Mr. Subhash Chandra Bhargava	Member	Non Executive & Independent Director

#### **5. Finance Committee**

Our Company has constituted a Finance Committee vide resolution dated June 2, 2008 under the Chairmanship of Ms. Urrshila Kerkar. The present committee consists of the following members:-

<b>Sr. No</b>	<b>Name of Director</b>	<b>Designation</b>	<b>Executive/Non Executive</b>
1	Ms. Urrshila Kerkar	Chairman	Executive Director
2	Mr. Ajay Ajit Peter Kerkar	Member	Executive Director
3	Mr. Subhash Chandra Bhargava	Member	Non Executive & Independent Director
4	Mr. Arup Sen	Member	Director- Special Projects
5	Mr. Anil Khandelwal	Member	Chief Financial Officer

The scope of Finance Committee shall include but shall not be restricted to the following:

- i. To address the matters related to the financial policies and procedures such requirements of funds, access to liquidity, to raise funds, reviewing and recommending to the board methods and terms of external financing and other financial transactions required to achieve the Company's objectives;
- ii. To review and keep informed of, and, as appropriate, advice or make recommendations to the Board regarding matters, such as, cash from internal sources (operations and asset sales), capital spending requirements, credit rating targets/ rating agency relationships, capital structure, dividend policy, share repurchase policy, external financing requirements and any other matter as directed by the Board;

#### ***Board Procedure***

Our Company has held Board meetings as per the provisions of the Companies Act, 1956 and has maintained minutes of the meetings thereof.

#### **Shareholding of Directors**

Save and except as mentioned below, our Directors do not hold any shares of the Company as on date of this Red Herring Prospectus:

<b>Sr. No</b>	<b>Name of Director</b>	<b>No. of Equity Shares</b>	<b>Pre Issue Percentage Shareholding (%)</b>	<b>Post Issue Percentage Shareholding (%)</b>
1	Mr. A. B. M. Good	3,019,916	6.4	4.8
2	Mr. Ajay Ajit Peter Kerkar	1,372,336	2.9	2.2
3	Ms. Urrshila Kerkar	2,279,800	4.8	3.6
4	Mr. Pesi Patel	84,000	0.2	[●]

The Articles of Association of our Company do not require the Directors to hold any qualification shares.

## Interest of Directors

Our Company has been promoted by Mr A. B. M. Good, Mr Ajay Ajit Peter Kerkar, Ms. Urrshila Kerkar, Ms. Elizabeth Kerkar and Liz Investments Private Limited. The Promoters may be deemed to be interested in the promotion of our Company to the extent of shares held by them and their relatives. The Promoters may also benefit from holding directorship in our Company.

All our Directors, including Independent Director, may be deemed to be interested to the extent of remuneration and/or fees, if any, payable to them for attending meetings of the Board and of committees thereof, reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under the Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loan or advances provided to anybody corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our directors, including Independent Directors, may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with any either the Director himself, other company in which they hold directorships or any partnership firm in which they are partners, as declared in their respective declarations.

All the Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them and/or by their friends and relatives in the Issuer or allotted to them in the present Issue in terms of this Red Herring Prospectus.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and / or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

The Articles of Association provide that the Directors and officers shall be indemnified by our Company against loss, if any, in defending any proceeding brought against Directors and officers in their capacity as such, if the indemnified Director or officer receives judgment in his favour or is acquitted in such proceeding.

Our Directors do not have any interest in any property acquired by our Company in a period of two years before the date this Red Herring Prospectus with SEBI or proposed to be acquired by us as on date of this Red Herring Prospectus with SEBI.

Except as disclosed elsewhere in this Red Herring Prospectus and in particular section titled '*Related Party Transactions*' on page 185 of this Red Herring Prospectus no amount of benefit has been paid or given within the two preceding years or intended to be paid or given to any of our Directors except the normal remuneration for services rendered.

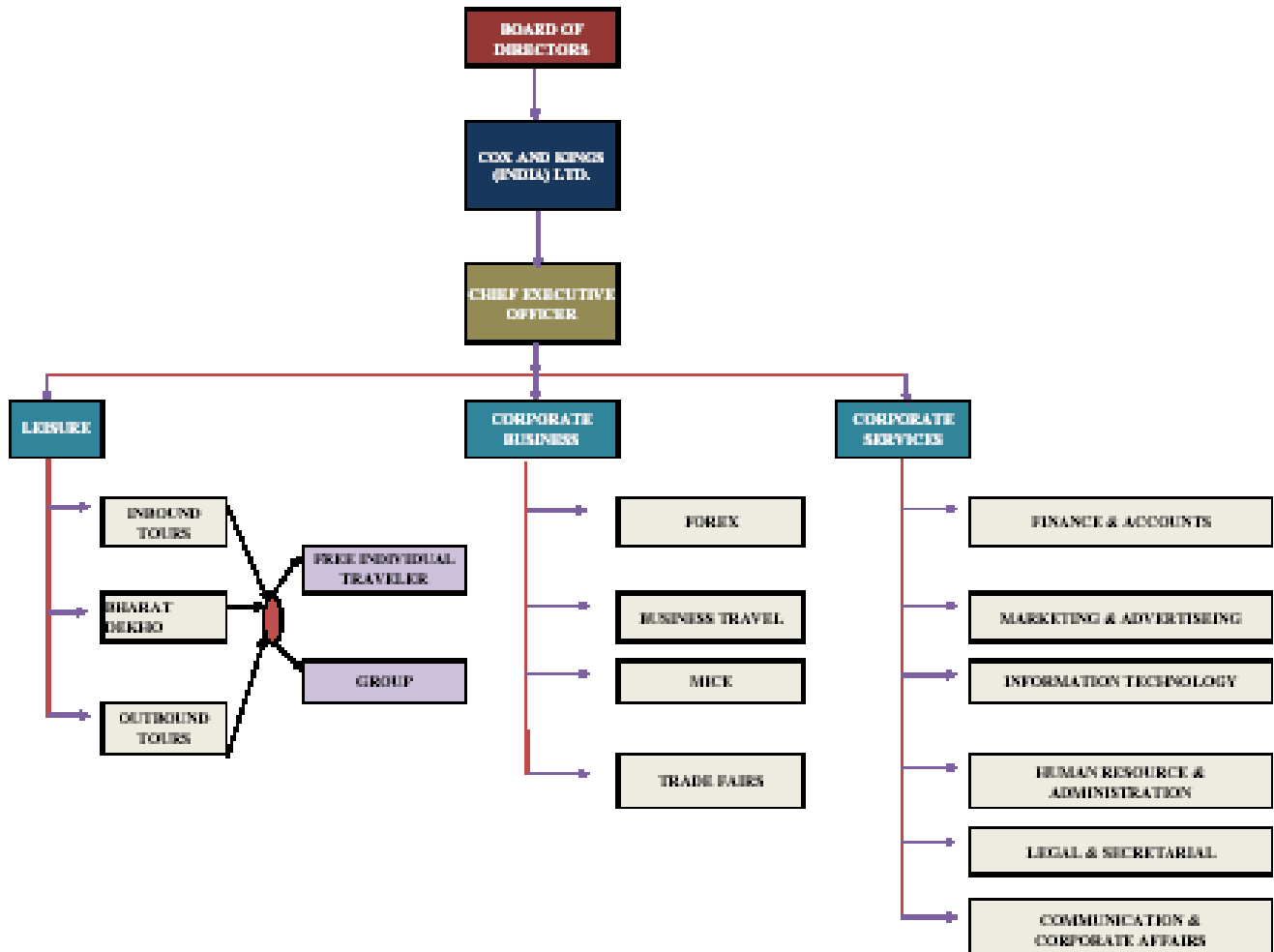
## Changes in the Board of Directors during the last 3 (three) years

Save and except as mentioned below, there had been no change in the Directorship during the last 3 (three) years:

Name of Director	Date of Appointment	Reason for appointment	Date of Resignation	Reason for change/Resigned
Mr. Pugalur Krishna Nagarajan	-	-	June 13, 2007	Resigned as Director
Mr. William Samuel Nicholson Tully	June 13, 2007	Appointed as Additional Director	May 20, 2008	Resigned as Director
Mr. Mahalinga Narayanan	June 13, 2007	Appointed as Additional Director	N.A.	N.A.
Mr. Arup Sen	-	-	May 20, 2008	Resigned as Director

Mr. Subhash Chandra Bhargava	October 1, 2007	Appointed as Additional Director	N.A.	N.A.
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**Management Organization Structure of the Company**



## **Key Managerial Personnel**

The operations of our Company are overseen by a professional management team, under the guidance of the Chairman, Mr. A. B. M. Good and Executive Director, Mr. Ajay Ajit Peter Kerkar. The top management team has the requisite experience and the qualification for their respective responsibilities. A brief profile of our Key Management Personnel is as follows:

### ***Mr. Arup Sen – Director- Special Projects***

Mr. Arup Sen, 52 years, is designated as Director- Special Projects. He holds Bachelor's degree in Economics from University of Pune and Masters in Economics from University of Delhi. He joined our Company as Manager – Conferences, Incentives & Adventure Tours with effect from January 16, 1990. Prior to his current position, he held the position of Vice President and Director - Operations in the Company. During his tenure, he has handled several major assignments covering various spectrum of our business. Immediately prior to joining our Company, he was heading the Conference Division of SITA Travels. His current remuneration is Rs. 6,945,608 p. a

### ***Mr. Anil Khandelwal – Chief Financial Officer***

Mr. Anil Khandelwal, 37 years, is designated as Chief Financial Officer of the Company. He is a Science graduate from University of Mumbai and a Fellow member of The Institute of Chartered Accountants of India since 1999. He joined our Company as Chief Financial Officer with effect from January 1, 2008. Immediately prior to joining our Company, he was a Partner in Iyer Jain Khandelwal & Co., Chartered Accountants firm specializing in Systems Study & Internal Audits. His experience over a decade encompasses broad range of Industries including Tours & Travels, Hospitality, Textiles, Media & Entertainment, Construction, Shipping, Financial Services, Technology, Pharmaceuticals and Consumer Durables. He has extensive experience in matters relating to Finance & Accounts including dealing with Banks, Financial Institutions and Private Equity Funds. His current remuneration is Rs. 6,500,000 p.a.

### ***Mr. Viral Gandhi – Chief Information Officer***

Mr. Viral Gandhi, 35 years, is designated as Chief Information Officer of the Company. He holds a Bachelor's degree in Electronics Engineering from University of Mumbai and a certified Six Sigma Green Belt. He joined our Company as Chief Information Officer in May 2008. He is currently heading the IT, International Projects & Web Development functions. Mr. Gandhi started his career with Tata Consultancy Services and has gained 13 years of experience in the IT sector which includes 6 (six) years of handling International projects as the Delivery Manager. In his career he has worked with many Fortune 100 organizations providing total business solutions leveraging Information Technology. Immediately prior to his appointment with our Company, he was serving as Delivery Head, Mumbai with Tata Consultancy Services. His current remuneration is Rs. 3,188,765 p.a.

### ***Mr. Cyrus Sarkari, Head – Groups, Outbound***

Mr. Cyrus Sarkari, 45 years, is designated as Head- Group, Outbound Travel. He is a commerce graduate from University of Mumbai. He joined our Company with effect from November, 1996 as an Assistant Manager for product development. He has handled several important assignments during his tenure with us and was one of the key persons instrumental in conceiving and launching the concept of Group Tours for Outbound travellers on a large scale. As the Division Head, he oversees the Sales, Product Development & Contracting and Logistics Management functions for the Group Tours. His previous experience covers various industries like banking and finance, stock market operations and portfolio management and Travel & Tourism. Immediately prior to his appointment with our Company, he was working as a Manager in Rasheid J. Taleyarkhan, Member, Stock Exchange, Mumbai. His current remuneration is Rs. 4,079,189 p.a.

### ***Mr. Ashutosh Mehere, Head - FIT, Outbound***

Mr. Ashutosh Mehere, 41 years, is designated as Head- FIT, Outbound Travel. He holds a Diploma in Industrial Electronics from the Board of Technical Education and has completed Management Education Programme (MEP) from IIM, Ahmedabad. He joined our Company with effect from October 2007. He is currently heading the FIT division of Outbound Travel. As the Division Head, he oversees the Sales, Product Development & Contracting and Logistics Management functions for the FIT Tours. Over his career span of 19 years, he has successfully implemented new start-up business

projects and initiatives. Immediately prior to his appointment with our Company, he was working as the Business Head of Voyages TV. His current remuneration is Rs. 3,969,149 p.a.

***Mr. Ajay Seth, Head - MICE, Outbound***

Mr. Ajay Seth, 48 years, is designated as Head- MICE, Outbound Travel. He is a commerce graduate from University of Mumbai. He joined our Company with effect from January 1, 1995. During his tenure with the Company he has handled assignments with Domestic - FIT & MICE, International Cruises, and Inbound Travel. He is currently heading the MICE division of Outbound Travel wherein, he oversees the Sales, Product Development & Contracting and Logistics Management functions of the division. Prior to joining our Company he had worked with Bank of Maharashtra, TCI and Travel House, an ITC Group company. Immediately prior to his appointment with our Company, he was working in a Supervisory position with Travel House. His current remuneration is Rs. 3,733,461 p.a.

***Ms. Krishna Wattal, Head - Inbound Tours***

Ms. Krishna Wattal, 46 years, is designated as Head - Inbound Travel. She is an Arts graduate from University of Mumbai. She joined our Company in September 1995. Prior to that she had worked for 2 years as a Tour Escort with us. Her experience extends to various areas such as Quality Control, Customer Service, Business Development and Product Development. She is currently heading the Inbound Travel division and has been involved in several special movements of Inbound travellers. Prior to joining the Company she had worked with Taj Travels & Trade, Paramount Travels and Abercrombie & Kent. Immediately prior to her association with our Company, she was working as the Quality Control & Customer Service Manager with Abercrombie & Kent. Her current remuneration is Rs. 3,045,014 p.a.

***Mr. Karan S. Anand, Head - Relationships and Supplier Management***

Mr. Karan Anand, 46, is a graduate majoring in Economics from University of Mumbai. He was a partner in Nishat Trading Corporation, a franchisee of Enpak Motors (Maruti) and Garden Silk Mills. He has been associated with our Company from 1994. His various assignments included representing the Company at various forums such as Media, Tourism Boards, Trade partners and negotiations with suppliers. Effective September 1, 2008, he was designated as Head – Relationships and Supplier Management. His current remuneration is Rs. 3,665,928 p.a.

***Mr. V. P. Ravi Menon, Head - Foreign Exchange***

Ravi Menon, 47 years, is designated as Head – Foreign Exchange Division. He is a graduate from University of Mumbai and holds a Post Graduate Diploma in Business Management in Sales and Marketing as well as Human Resource from Wellingkar Institute, Mumbai. He joined our Company in August, 2004 and is responsible for establishing and growing the Foreign Exchange business at all our branches in India. He started his career in the year 1980 in the Indian Air Force and later joined Thomas Cook in 1983. He had thereafter taken up an assignment with Bank of Credit and Commerce International. Immediately prior to joining our Company, he was working as a Regional Manager with TRAVELEX. His current remuneration is Rs. 2,577,713 p.a.

***Mr. John Joseph Nair, Head - Business Travel***

Mr. John Joseph Nair, 40 years, is designated as Head – Business Travel. He is a commerce graduate from University of Mumbai and currently pursuing a Post Graduate Diploma in Business Management in Sales and Marketing from Wellingkars Institute, Mumbai. He joined our Company in November, 1995. He is currently heading the Business Travel division. He is primarily responsible for Sales and Operations of Business Travel pan India and for fostering the relationships with corporate clients. He also handles contracting and agreements with the airlines. Immediately prior to his appointment he was working as a Deputy Manager with Treasure Tours & Travels. His current remuneration is Rs. 2,626,346 p.a.

***Ms. Padmini Misra, Chief People Officer***

Ms. Padmini Misra , 47 years, is designated as the Chief People Officer. She has a Diploma in Hotel Management from Institute of Hotel Management & Catering College, New Delhi and has various certifications in several psychometric tools, Neuro Linguistics, T Groups, NTL and Six Sigma. She has joined our Company as the Chief People Officer with effect



from October 1, 2009. Her last role prior to joining our Company, was working as Senior Vice President - Human Resource with Aditya Birla Retail Limited. She has 27 years of experience in the service industry and has worked with highly esteemed companies such as The Taj Group of Hotels, General Electric, Wipro and Aditya Birla Group. She has held global responsibilities and worked extensively in the area of Organization Capability and Human Resource. She has led new projects and initiatives, both within and outside India at a strategic and business level. Her current remuneration is Rs.8,248,325 p.a.

***Mr. T. B. Billimoria, Head – Human Resources and Administration***

Mr. T. B. Billimoria, 55 years, is designated as Head - Human Resource and Administration. Mr. Billimoria passed his Senior Secondary Certificate Examination in the year 1970 and thereafter completed a course pertaining to the Laws & Rules of Bombay Customs. Prior to joining us he had worked with various industries such as Shipping, Exports and Project Development. He joined our Company in June, 1998 as a Marketing Manager. He was entrusted the responsibility of managing the Human Resource and Administrative division in the year 1993 and since then he has been handling various assignments in this field. Immediately prior to his appointment with us he was working as the Manager of the Manpower Division in Elbualy Group. His current remuneration is Rs. 2,072,268 p.a.

***Mr. Rahul Rathore, Head-Legal***

Mr. Rahul Rathore, 40 years, is designated as Head-Legal. He holds a Bachelor's degree in Economics and LLB from University of Punjab. He has joined our Company as the Head-Legal with effect from October 1, 2009. His last role, prior to joining our Company, was as the senior most Legal Manager at the Head Office of Jet Airways. He has over 17 years experience of having worked with prestigious law firms like Advani & Co., Barristers-at-law, Thakker and Thakker and independent practice in the High Court. His experience encompasses over various sectors like aviation and travel where he has handled litigation, commercial laws in the domestic and international contexts and a large number of domestic and international arbitrations. His current remuneration is Rs. 1,885,339 p.a.

***Ms. Rashmi Jain – Company Secretary***

Ms. Rashmi Jain, 33 years, is designated as Company Secretary. She is a commerce graduate from Delhi University and is a member of the Institute of Company Secretaries of India. She joined our company with effect from May 15, 2006 as Company Secretary. Her responsibilities include ensuring compliance with all legal and regulatory requirements for the smooth functioning of the business. Immediately prior to joining us she was working with Mehta & Mehta, a reputed firm of Practicing Company Secretaries. Her current remuneration is Rs. 783,790 p.a.

None of the Key Managerial Personnel are appointed pursuant to any arrangement or understanding with major shareholders, customers or suppliers. All our Key Management Personnel are permanent employees of our Company.

Further, the Key Managerial Personnel as disclosed above are not Key Managerial Personnel as defined under Accounting Standard 18.

**Relation of Key Management Personnel and Directors**

Two of our Directors are related to each other. Mr. Ajay Ajit Peter Kerkar is the brother of Ms. Urrshila Kerkar. None of the Key Managerial Employees named above are related to the Board or any Committee.

**Shareholding of Key Managerial Personnel**

None of the Key Managerial Employees named above hold any Equity Shares in the Company as on the date of this Red Herring Prospectus.

**Bonus and/or profit sharing plan for the Key Managerial Personnel**

Our Company does not have any bonus or profit-sharing plan for its key managerial personnel. Except as stated otherwise in the Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or are intended to be given to any of our key managerial personnel except the normal remuneration for services rendered as directors,

officers or employees.

### Changes in Key Managerial Personnel during the last 3 (three) years

Save and except as mentioned below, there had been no changes in Key Managerial Personnel of our Company that are not in the normal course of employment, during the last 3 (three) years:

Name of Director	Date of Appointment	Reason for Appointment	Date of Resignation	Reason for change/Resigned
Mr. Ravi Menon	August 19, 2004	Appointed	Not applicable	Not applicable
Ms. Rashmi Jain	May 15, 2006	Appointed	Not applicable	Not applicable
Mr. Anil Khandelwal	January 1, 2008	Appointed	Not applicable	Not applicable
Mr. G. B. Patkar	Not applicable	Not applicable	July 4, 2008	Resignation
Mr. Viral Gandhi	May 2008	Appointed	Not applicable	Not applicable
Mr. Ashutosh Mehere	October 2007	Appointed	Not applicable	Not applicable
Ms. Padmini Misra	October 1, 2009	Appointed	Not applicable	Not applicable
Mr. Rahul Rathore	October 1, 2009	Appointed	Not applicable	Not applicable

### Payment or Benefit to our Officers (non-salary related)

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

Save and except as disclosed in the section titled '*Financial Statements*' beginning on page 171 of this Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

### Employees

Our Company has 1097 full-time employees as on October 15, 2009.

Apart from salary and usual perquisites, and group benefits under the group gratuity scheme and the employee provident fund scheme no other benefits have been offered to the officers of the Company.

### Interest of Key Managerial Personnel

All our key managerial personnel may be deemed to be interested to the extent of the remuneration and other benefits in accordance with their terms of employment for services rendered as officers or employees to our Company. Further, all Employees may also be deemed to be interested to the extent of Equity Shares subscribed for and allotted to them out of the present Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

## OUR PROMOTERS AND PROMOTER GROUP COMPANIES

### OUR PROMOTERS

*Our Individual Promoters are:*


1. Mr. A.B.M. Good
2. Mr. Ajay Ajit Peter Kerkar
3. Ms. Urrshila Kerkar
4. Ms. Elizabeth Kerkar

*Our Corporate Promoter are:*


1. Liz Investments Private Limited

#### Details of Our Individual Promoters:


##### 1. Mr. A.B.M. Good

	Identification	Details
	PAN	Not Available
	Passport No.	099007656
	Driving Licence Number	GOOD9304183AB9NB 18
	Bank Account Number	00014400
	% pre-issue share holding in the Issuer Company	6.4%
	DIN	00189453


##### 2. Mr. Ajay Ajit Peter Kerkar

	Identification	Details
	PAN	AADPK3298H
	Passport No.	Z1591389
	Driving Licence Number	8136918
	Bank Account Number	001614100025997 (NRO) - Bank of India
	% pre-issue share holding in the Issuer Company	2.9%
	DIN	00202891

##### 3. Ms. Urrshila Kerkar

	Identification	Details
	PAN	AGAPK5487B
	Passport No.	761097076
	Bank Account Number	10473843992 - State Bank of India; 001610100025996 - Bank of India
	% pre-issue share holding in the Issuer Company	4.8%
	DIN	0021210

#### 4. Ms. Elizabeth Kerkar

	Identification	Details
	PAN	AAOPK8500F
	Passport No.	F2953015
	Bank Account Number	10473845571 -State Bank of India
	% pre-issue share holding in the Issuer Company	1.3%

Ms. Elizabeth Kerkar has studied fine arts at the Kunstgewerbe Schule. She is residing in India since 1961. In the year 1964 she was employed with The Indian Hotels Company Ltd. – Taj Group of Hotels which she served for 34 years and retired in the year 1998 as Senior Vice President, Interior Design. After her retirement from The Indian Hotels Company Ltd. she started interior and graphic design consultancy. Ms. Elizabeth Kerkar holds the distinction of being invited by the Honorable President of India, Shri Ramaswamy Venkataraman in 1989 to renovate the interiors of special suites for visiting dignitaries at Rashtrapati Bhavan. In 1992 she was conferred the medal and inducted in the Hall of Fame by Indian Association of Tour Operations. Ms. Elizabeth Kerkar was recognized for her innovative and creative contribution to the décor and ambience of the various Taj Hotels, reflecting India’s rich culture and heritage. She was the Designer of the year in the Interior & Lifestyle India Magazine in 1997.

Other details of Ms. Elizabeth Kerkar:

Age	72 years
Address	11, Nowroji Mansion, 31, Woodhouse Road, N. P. Marg, Colaba, Mumbai – 400 039
Other Directorships	1. Liz Investments Private Limited 2. Sneh Sadan Graphic Services Private Limited

For detailed profile of each of other individual promoters please refer to the chapter titled ‘Our Management’ on page 132 of this Red Herring Prospectus.

#### Details of Our Corporate Promoter:

##### 1. Liz Investments Private Limited (‘Liz Investment’)

Liz Investments was incorporated on September 1, 1988 as a private limited company under the Companies Act, 1956. The registered office of Liz Investments is at 12 /13 Cecil Court, 1<sup>st</sup> Floor, Lansdowne Road, Colaba, Mumbai - 400 039. The Promoter of Liz Investments is Dr. A. B. Kerkar and Liz Investments is involved in the investment business.

The Main Objects as contained in its Memorandum of Association are:

*To carry on the business as an Investment Company and to buy, underwrite, invest in, acquire in any manner, hold, sell or dispose of shares, stocks, debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debentures, debenturestock, bonds, obligations and securities issued or guaranteed by any Government, state, dominions, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, firm or person whether in India or elsewhere, and to deal with and turn to account the same, provided always that no investment imposing unlimited liability on the Company shall be made.*

#### Shareholding Pattern:

The shareholding pattern of Liz Investments as on October 15, 2009 is as follows:

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
Mr. Ajay Ajit Peter Kerkar	250,000	52.06
Ms. Urrshila Kerkar	227,600	47.40
Ms. Elizabeth Kerkar	2,600	0.54
<b>Total</b>	<b>480,200</b>	<b>100.00</b>

**Board of Directors:**

The Board of Directors comprises of Dr. A. B. Kerkar, Ms. Elizabeth Kerkar and Mr. Pesi Patel.

**Financial Performance:**

The financial results of Liz Investments for the years ended March 31, 2006, 2007 and 2008 are as set forth below:

*Rs. in million (except share data)*

Particulars	For the Years Ended March 31,			
	2006	2007	2008	2009
Income / Sales	0.15	1.10	1.82	1.46
Profit / (Loss) After Tax	(1.61)	(6.03)	(23.51)	(8.90)
Equity Share Capital <sup>#</sup>	2.70	2.70	4.80	4.80
Reserves & Surplus (excluding Revaluation Reserves)	55.98	45.34	21.84	12.94
Earnings Per Share (in Rs; FV Rs.10/- )	(5.97)	(22.29)	(48.95)	(18.53)
Net Asset Value or Book Value Per Share (in Rs; FV Rs.10/-)	217	178	55	37

<sup>#</sup>does not include Share Application Money which stood at Rs.177.65Mn as on March 31, 2008; Nil for other years.

**Other details pertaining to Liz Investments:**

Identification	Details
PAN	AAACL0565E
Bank Account Number	10473842478 - State Bank of India
% pre-issue share holding in the Issuer Company	14.5%
Corporate Identification Number (CIN)	U65990MH1988PTC048683

Liz Investments is an unlisted company and it has not made any public or rights issue in the preceding three years. It is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, and is not in the process of any winding up. Further, Liz Investments has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

**Declaration**

We confirm that the personal details of our individual Promoters viz., Permanent Account Numbers, Passport Numbers, Driving License Numbers and Bank Account Numbers had been submitted to the Stock Exchanges, on which our securities are proposed to be listed, at the time of filing this Red Herring Prospectus with such Stock Exchanges. Since Mr. A.B.M. Good is not an Indian national, he does not have a PAN. Further, we confirm that the Permanent Account Numbers, Bank Account Numbers, the Company Registration Numbers and the addresses of the Registrars of Companies where our corporate promoter are registered had been submitted to the Stock Exchanges on which our securities are proposed to be listed, at the time of filing this Red Herring Prospectus with such Stock Exchanges. We further confirm that, our Promoter has not been declared as wilful defaulter by RBI or any other government authority and there are no violations of securities laws committed by our Promoter in the past nor any such proceedings are pending against our Promoter.

### Interest of Promoters in our Company

Our Company is promoted by Mr. A.B.M. Good, Mr. Ajay Ajit Peter Kerkar, Ms. Urrshila Kerkar, Ms. Elizabeth Kerkar, Liz Investments Private Limited. At present our Promoters together hold 14,190,916 Equity Shares of our Company. Our Promoters may be deemed to be interested in the promotion of our Company to the extent of shares held by them and in case of our individual Promoters, also to the extent of shares held by their relatives. Our individual Promoters may also benefit from holding directorship in our Company.

Save and except as stated above and as stated in the chapter titled ‘Our Management’ beginning on page 132 of this Red Herring Prospectus, our Promoters have no other interest in our Company.

### Payment or benefits to our Promoters during the last two years

Except as stated in the section titled ‘Financial Statements’ beginning on page 171 of this Red Herring Prospectus, there has been no payment of benefits to our Promoters during the last two years from the date of this Red Herring Prospectus.

### Other Ventures of Promoters

Save and except as disclosed in this Red Herring Prospectus, there are no other ventures of our Promoters in which they have business interests /other interests.

### Companies / Firms from which the Promoters have disassociated themselves in last 3 (three) years

None of our Promoters have disassociated themselves from any of the companies, firms or other entities during the last three years preceding the date of this Red Herring Prospectus.

### Interest in the property of Company

The Promoters do not have any interest in any property acquired by our Company within two years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company.

### OUR PROMOTER GROUP

Apart from our Promoter, the following individuals and companies comprise our Promoter Group.

#### Promoter Group Entities as per Regulation 2(1)(zb) of the SEBI Regulations:

a) *The natural persons who are part of our Promoter Group (due to the relationship with our Promoters) are as follows:*

Relationship	Mr. A.B.M. Good	Mr. Ajay Ajit Peter Kerkar	Ms. Urrshila Kerkar	Ms. Elizabeth Kerkar
<b>Father</b>	Mr. Meyrick George	Dr. A. B. Kerkar	Dr. A. B. Kerkar	Mr. Friederich
<b>Mother</b>	Ms. Amy Millie	Ms. Elizabeth Kerkar	Ms. Elizabeth Kerkar	Ms. Klara Hefti –
<b>Brother</b>	-	-	Mr. Ajay Ajit Peter	
<b>Sister</b>	-	Ms. Urrshila Kerkar	-	
<b>Spouse</b>		Ms. Emma Kerkar	-	Dr. A. B. Kerkar
<b>Children</b>	Ms. Antonia Good	Ms. Jessica Kerkar	-	Mr. Ajay Ajit Peter Kerkar
	Ms. Kathryn Maclay	Ms. Nayantara Kerkar		Ms. Urrshila Kerkar
<b>Spouse’s Father</b>		Mr. Mark Tully	-	
<b>Spouse’s Mother</b>		Ms. Margaret Tully	-	
<b>Spouse’s Brother</b>	-	Mr. Patrick Tully	-	
		Mr. Sam Tully		
<b>Spouse’s Sister</b>	-	Ms. Sarah Tully	-	

b) Companies, Firms and HUFs which form part of our Promoter Group are as follows:

1. Where the Promoter is an Individual:

Sr. No	Relationship	Mr. A.B.M. Good	Mr. Ajay Ajit Peter Kerkar	Ms. Urrshila Kerkar	Ms. Elizabeth Kerkar
1.	Any company in which 10% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relative is a member	Good Relations (India) Private Limited	Liz Investments Private Limited	Liz Investments Private Limited	Liz Investments Private Limited
			Kubber Investments (Mauritius) Private Limited	Kubber Investments (Mauritius) Private Limited	Kubber Investments (Mauritius) Private Limited
			Sneh Sadan Graphic Services Private Limited	Sneh Sadan Graphic Services Private Limited	Sneh Sadan Graphic Services Private Limited
			Ezeego One Travel & Tours Limited	Ezeego One Travel & Tours Limited	Ezeego One Travel & Tours Limited
			Far Pavilions Tours and Travels Private Limited	Far Pavilions Tours and Travel Private Limited	Far Pavilions Tours and Travel Private Limited
			ABK Enterprises Private Limited	ABK Enterprises Private Limited	ABK Enterprises Private Limited
			Tulip Hotels Private Limited	Tulip Hotels Private Limited	Tulip Hotels Private Limited
2.	Any company in which a company mentioned in (1) above, holds 10% of the total holding	-	Forever Travel Distribution Private Limited	Forever Travel Distribution Private Limited	Forever Travel Distribution Private Limited
			Tulip Star Hotels Limited	Tulip Star Hotels Limited	Tulip Star Hotels Limited
			V Hotels Limited	V Hotels Limited	V Hotels Limited
			Tulip Star Leisure & Health Resorts Limited	Tulip Star Leisure & Health Resorts Limited	Tulip Star Leisure & Health Resorts Limited
3.	Any HUF or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total holding	-	-	-	-

Save as disclosed below, none of the Promoters or any of their immediate relatives hold 10% or more of the share capital of any company or entity specified as per **Regulation 2(1)(za) and 2(1)(zb)** of the SEBI Regulations.

**2. Where the Promoter is a Company:**

Sr. No	Relationship	Liz Investments Private Limited
1.	A subsidiary or holding company of that company	-
2.	Any company in which the Promoter holds 10% or more of the equity capital, or which holds 10% or more of the equity capital of the Promoter	1. Far Pavilions Tours and Travel Private Limited 2. Tulip Star Hotels Limited
3.	Any company in which a group of individuals or companies or combinations thereof who holds 20% or more of the equity capital in that company, also hold 20% or more of the equity capital of the issuer company	-

**Shareholding of Promoter and Promoter Group in our Company:**

The pre-Issue and post-Issue shareholding of our Promoters and our Promoter Group is as follows:

*Equity Shares of Face Value of Rs. 10 each*

Name of Shareholder	Pre-Issue		Post-Issue	
	No. of Equity Shares	% age Holding	No. of Equity Shares	% age Holding
<b>Promoters</b>				
Mr. A. B. M. Good	3,019,916	6.4	3,019,916	4.8
Mr. Ajay Ajit Peter Kerkar	1,372,336	2.9	1,372,336	2.2
Ms. Urrshila Kerkar	2,279,800	4.8	2,279,800	3.6
Ms. Elizabeth Kerkar	637,200	1.3	637,200	1.0
Liz Investments Private Limited	6,881,664	14.5	6,881,664	10.9
<b>Total (A)</b>	<b>14,190,916</b>	<b>29.9</b>	<b>14,190,916</b>	<b>22.6</b>
<b>Promoter Group</b>				
Sneh Sadan Graphic Services Private Limited	16,676,684	35.1	16,676,684	26.5
Kubber Investment (Mauritius) Private Limited	9,173,280	19.3	9,173,280	14.6
<b>Total (B)</b>	<b>25,849,964</b>	<b>54.5</b>	<b>25,849,964</b>	<b>41.1</b>
<b>Total Promoter Group Holding: (A) + (B)</b>	<b>40,040,880</b>	<b>84.3</b>	<b>40,040,880</b>	<b>63.6</b>



## PROMOTER GROUP COMPANIES

*The companies that are part of the Promoter Group are as follows:*

1. Sneh Sadan Graphic Services Private Limited
2. Kubber Investment (Mauritius) Private Limited
3. Good Relations (India) Private Limited
4. Ezeego One Travel & Tours Limited
5. Forever Travel Distribution Private Limited
6. Far Pavilions Tours and Travels Private Limited
7. Tulip Star Hotels Limited
8. V Hotels Limited
9. Tulip Hotels Private Limited
10. ABK Enterprises Private Limited
11. Tulip Star Leisure & Health Resorts Limited
12. Environmental Journey's Limited
13. The Bolshoi Express Limited

The details of the companies that form part of the Promoter Group are as follows:

### 1. Sneh Sadan Graphic Services Private Limited (“Sneh Sadan”)

Sneh Sadan Graphic Services Private Limited was incorporated on May 24, 1980 as a private limited company under the Companies Act, 1956. The registered office of Sneh Sadan is at Cecil Court, 1<sup>st</sup> Floor, Lansdowne Road, Colaba, Mumbai - 400 039. The principal activity of Sneh Sadan is designing of graphics.

The Main Objects as contained in its Memorandum of Association are:

- (a) *To carry on the business of printers, stationers, lithographers, type- founders, stereotypers, electrotypers, photographic printers, photo-lithographers, cromo lithographers, engravers, die-sinkers, book-binders, designers, draughtsmen, paper and ink manufacturers, booksellers, publishers, advertising agents*
- (b) *To carry on business as proprietors and publishers of newspapers, journals, magazines, books and other literary works and undertakings, - and to establish competitions in respect of contributions or information suitable for insertion in any publication of the Company, or otherwise for any of the purpose of the Company, and to offer and grant prizes, rewards, and premiums of such character and on such terms as may seem expedient.*
- (c) *To act as manufacturers, traders, dealers, agents, representatives, collaborators, exporters, importers, wholesalers, stockists, retailers, brokers, commission agents or otherwise in any manner in respect of printing, publishing, photography, copying, paper, ink, dyes, colours, packaging, handicrafts, household and office utilities, machines and equipment and other items of daily use.*

### **Shareholding Pattern:**

The shareholding pattern of Sneh Sadan as on October 15, 2009 is detailed below:

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
Ms. Elizabeth Kerkar	8,501	99.96
Liz Investments Private Limited	3	0.04
<b>Total</b>	<b>8,504</b>	<b>100.00</b>

### **Board of Directors:**

The Board of Directors comprises of Mr. Ajay Ajit Peter Kerkar, Ms. Elizabeth Kerkar and Mr. Pesi Patel.

### **Financial Performance:**

The following table sets forth the summary audited financial data in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Years Ended March 31,			
	2006	2007	2008	2009
Income / Sales	0.05	0.06	0.06	0.13
Profit / (Loss) After Tax	(0.37)	(0.51)	(0.97)	(1.14)
Equity Share Capital	0.85	0.85	0.85	0.85
Reserves & Surplus (excluding Revaluation Reserves)	3.59	3.08	2.11	0.97
Earnings Per Share (in Rs; FV Rs.10/- )	(43.97)	(59.82)	(114.24)	(134.05)
Net Asset Value or Book Value Per Share (in Rs; FV Rs.10/-)	522	462	348	214

Sneh Sadan is an unlisted company and it has not made any public or rights issue in the preceding three years. It is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, and is not in the process of any winding up. Further, Sneh Sadan has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

## 2. Kubber Investments (Mauritius) Private Limited ('Kubber')

Kubber was incorporated on March 16, 2007 as a private company limited by shares under the Companies Act (No 15), 2001 of the Republic of Mauritius. The registered office of Kubber is at Halifax Management Limited, 4<sup>th</sup> Floor, Ebene Skies Rue de l'Institut, Ebene Mauritius. The Promoter of Kubber is Mr. Ajay Ajit Peter Kerkar and Kubber is involved in the business of investments.

The objects for which Kubber (referred as 'company' below) is established are:

- To engage in any business or businesses whatsoever, which are not prohibited under the laws of Mauritius.
- To borrow or raise money by the issue of debenture stock (perpetual or terminable) bonds, mortgages or any other securities founded or based upon all or any of the assets or property of the company or without any such security and upon such terms as to priority or otherwise as the company shall think fit.
- To all such other things as are incidental to, or the company may think conducive to the conduct, promotion or attainment of the objects of the company.

### Shareholding Pattern:

The shareholding of Kubber as on October 15, 2009 is as set forth below:

Shareholder	No. of Shares Held	Shareholding (%)
Ajay Ajit Peter Kerkar	760	76
Urrshila Kerkar	240	24
<b>Total</b>	<b>1000</b>	<b>100</b>

### Board of Directors:

The Board of Directors comprises of Mr. Ajay Ajit Peter Kerkar, Mr. Bishwarnath Bachun and Ms. Samila Sivaramen.

### Financial Performance:

The financial results of Kubber for the year ended March 31, 2008 are as set forth below:

*Rs. in million (except share data)*

Particulars	For the Years Ended March 31,	
	2008*	2009
Income / Sales	-	-
Profit / (Loss) After Tax	-33.62	(44.14)
Equity Share Capital	0.05	0.05

Reserves & Surplus (excluding Revaluation Reserves)	-37.75	(81.85)
Earnings Per Share (in Rs; FV Rs.10/- )	-	-
Net Asset Value or Book Value Per Share (in Rs; FV Rs.10/-)	-37,695.04	(81795.83)

*\*for the period from its date of incorporation*

Kubber is an unlisted company and it has not made any public or rights issue in the preceding three years. It is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or such relevant act of the Republic of Mauritius, and is not in the process of any winding up. Further, Kubber has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

### 3. Good Relations (India) Private Limited ('Good Relations')

Good Relations (India) Private Limited was incorporated on January 11, 1988 as a private limited company under the Companies Act, 1956. The registered office of Good Relations is G, 16-17, 8<sup>th</sup> Floor, Everest Building, 156, Tardeo Road, Mumbai - 400 034. The promoter of Good Relations is Mr. A. B. M. Good and its principal activity is to carry on business as Public Relations and Marketing consultants and advisors.

#### *Shareholding Pattern*

The shareholding pattern of Good Relations as on October 15, 2009 is detailed below:

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
Mr. A.B.M. Good	1,567,321	79.490
Mr. Gulam Noon	397,350	20.153
Mr. Lalit R. Shah	6,240	0.316
Mr. Vinay P. Karve	780	0.040
Ms. Meenakshi S Varma	10	0.001
Mr. Kuldip Nayyar	10	0.001
<b>Total</b>	<b>1,971,711</b>	<b>100.00</b>

#### *Board of Directors*

The Board of Directors comprises of Mr. A. B. M. Good, Sir Gulam Noon, Ms. Meenakshi Sachdev Varma and Mr. Sam Sargood.

#### *Financial Performance*

The following table sets forth the summary audited financial data in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Years Ended March 31,			
	2006	2007	2008	2009
Income / Sales	23.44	30.17	39.64	38.60
Profit / (Loss) After Tax	(5.69)	2.13	3.94	(1.25)
Equity Share Capital	16.08	16.08	17.87	17.87
Reserves & Surplus (excluding Revaluation Reserves)	(7.81)	(5.68)	(1.73)	(1.14)
Earnings Per Share (in Rs; FV Rs.10/- )	(3.54)	1.33	2.31	(0.70)
Net Asset Value or Book Value Per Share (in Rs; FV Rs.10/- )	5.14	6.47	9.03	9.36

Good Relations is an unlisted company and it has not made any public or rights issue in the preceding three years. It is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, and is not in the process of any winding up. Further, Good Relations has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

#### 4. Ezeego One Travel & Tours Limited ('Ezeego')

Ezeego was incorporated on January 6, 2006 with the Registrar of Companies, Mumbai, Maharashtra with the name of 'Ezeego One Travels Private Limited' which was subsequently changed to 'Ezeego One Travels and Tours Private Limited' on April 20, 2006, thereafter to 'Ezeego One Travel & Tours Private Limited' on March 13, 2008 and was converted to a public limited company with its current name on March 14, 2008. The registered office is 1<sup>st</sup> Floor, Cecil Court, Lansdowne Road, Colaba, Mumbai - 400 039. Its principal activity is online ticketing.

##### *Shareholding Pattern*

The shareholding pattern of Ezeego as on October 15, 2009 is detailed below:

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
Ms. Urrshila Kerkar	46,667	77.65
Cox and Kings (India) Limited	9,000	14.98
Mr. Ajay Ajit Peter Kerkar	3,333	5.55
Ms. Neelu Singh	500	0.83
Ms. Pratima Alvares	200	0.33
Mr. Peter Fernandes	200	0.33
Mr. Sunil Menon	200	0.33
<b>Total</b>	<b>60,100</b>	<b>100.00</b>

##### *Board of Directors*

The Board of Directors comprises of Ms. Urrshila Kerkar, Mr. Arup Sen and Mr. Pesi Patel.

##### *Financial Performance*

The following table sets forth the summary audited financial data in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Years Ended March 31,			
	2006 #	2007	2008	2009
Income / Sales (Net Commission Earned & Other Income)	0.00	0.00	65.92	99.84
Profit / (Loss) After Tax	(0.07)	(0.55)	(581.10)	(618.64)
Equity Share Capital	0.10	0.60	0.60	0.60
Reserves & Surplus (excluding Revaluation Reserves)	(0.07)	99.29	(481.81)	(1100.86)
Earnings Per Share (in Rs; FV Rs.10/- )	(7.02)	(9.20)	(9737.96)	(10293.51)
Net Asset Value or Book Value Per Share (in Rs; FV Rs.10/- )	2.98	1679	(8007)	(18,307)

*# for the period from its date of incorporation*

Ezeego is an unlisted company and it has not made any public or rights issue in the preceding three years. It is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, and is not in the process of any winding up. Further, Ezeego has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

#### 5. Forever Travel Distribution Private Limited ('Forever Travel')

Forever Travel Distribution Private Limited was incorporated on June 30, 2004 as a private limited company under the Companies Act, 1956. The registered office of Forever Travel is at A- 505, Zarana Enclave, adjoining Saidham Temple, Western Express Highway, Kandivali (East), Mumbai- 400 101. Its principal activity is online ticketing.

### Shareholding Pattern

The shareholding pattern of Forever Travel as on October 15, 2009 is detailed below:

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
Ezeego One Travel & Tours Limited	26,000	52.00
Mr. Yogesh Rathi	23,900	47.80
Ms. Asha Rathi	100	0.20
<b>Total</b>	<b>50,000</b>	<b>100.00</b>

### Board of Directors

The Board of Directors comprises of Ms. Urrshila Kerkar, Mr. Arup Sen, Mr. Pesi Patel, Ms. Asha Rathi and Mr. Yogesh Rathi.

### Financial Performance

The following table sets forth the summary audited financial data in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Years Ended March 31,			
	2006	2007	2008	2009
Income /Sales	29.51	26.71	29.50	63.89
Profit / (Loss) After Tax	(0.08)	(5.75)	(30.71)	(38.29)
Equity Share Capital <sup>#</sup>	0.10	0.10	0.50	0.50
Reserves & Surplus (excluding Revaluation Reserves)	(0.09)	(5.83)	18.20	(20.18)
Earnings Per Share (in Rs; FV Rs.10/- )	(7.91)	(565.78)	(917.79)	765.78
Net Asset Value or Book Value Per Share (in Rs; FV Rs.10/- )	1.47	(573)	374	(394)

<sup>#</sup>does not include Share Application Money which stood at Rs.21.1Mn as on March 31, 2007; Nil for other years.

Forever Travel is an unlisted company and it has not made any public or rights issue in the preceding three years. It is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, and is not in the process of any winding up. Further, Forever Travel has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

### 6. Far Pavilions Tours and Travels Private Limited ('Far Pavilions')

Far Pavilions Tours and Travels Private Limited was incorporated on January 27, 1999 under the Companies Act, 1956. The registered office of Far Pavilions is at 40/100, Ground Floor, Chitranjan Park, New Delhi, 110 019. Its principal activity is charter business.

#### Shareholding Pattern:

The shareholding pattern of Far Pavilions as on October 15, 2009 is detailed below:

Name of Shareholder	No. of Equity Shares	Shareholding (%)
Ms. Urrshila Kerkar	15,000	50
Liz Investments Private Limited	15,000	50
<b>Total</b>	<b>30,000</b>	<b>100</b>

#### Board of Directors:

The Board of Directors comprises of Ms. Urrshila Kerkar, Mr. Arup Sen, Mr. S.N. Gupta and Mr. Prabhu Dev.

## Financial Performance

The following table sets forth the summary audited financial data in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Years Ended March 31,			
	2006	2007	2008	2009
Income /Sales	0.44	0.87	0.30	(1.14)
Profit / (Loss) After Tax	(52.79)	(15.84)	(11.60)	(17.51)
Equity Share Capital	0.30	0.30	0.30	0.30
Reserves & Surplus (excluding Revaluation Reserves)	(35.00)	(49.93)	(61.53)	(79.04)
Earnings Per Share (in Rs; FV Rs.10/- )	(1759.67)	(528.00)	(386.67)	(583.67)
Net Asset Value or Book Value Per Share (in Rs; FV Rs.10/- )	(1153.00)	(1651.00)	(2037.33)	(2621.23)

Far Pavilions is an unlisted company and it has not made any public or rights issue in the preceding three years. It is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, and is not in the process of any winding up.

## 7. Tulip Star Hotels Limited ('Tulip Star')

Tulip Star was incorporated on September 10, 1987 under the Companies Act, 1956 with the name of Cox and Kings Finance Limited which was changed to Cox and Kings Travel and Finance Limited on October 4, 1994 and subsequently to Tulip Star Hotels Limited on September 11, 2000. The registered office of Tulip Star is at Indra Palace, H-Block, Connaught Circus, New Delhi - 110 001. The principal activity of Tulip Star is to carry on and undertake the business as leasing and hire purchase finance company and own and operate companies and properties in the hospitality industry.

### Shareholding Pattern:

The shareholding pattern of Tulip Star as on September 30, 2009 is detailed below:

Category of Shareholder	Total number of Shares	%age of Shareholding
<b>A. Indian Promoter and Promoter Group</b>		
a. Individuals/ Hindu Undivided Family	274,070	5.95%
b. Bodies Corporate	2,352,430	51.03%
<b>Total Promoter and Promoter Group [A]</b>	<b>2,626,500</b>	<b>56.97%</b>
<b>B. Public shareholding</b>		
a. Bodies Corporate	788,926	17.11%
b. Individual shareholders holding up to Rs 1 lakh	466,900	10.13%
c. Individual shareholders holding in excess of Rs. 1 lakh.	687,957	14.92%
d. Any Other (specify)		
i.. Clearing Member	10,435	0.23%
ii. Overseas Corporate Body	20,000	0.43%
iii. NRI	9,282	0.20%
<b>Total Public Shareholding [B]</b>	<b>1,983,500</b>	<b>43.03%</b>
<b>GRAND TOTAL (A+B)</b>	<b>4,610,000</b>	<b>100.00%</b>

### **Board of Directors**

The Board of Directors comprises of Mr. A.B.M.Good, Dr. A. B. Kerkar, Mr. Pesi Patel, Mr. Mahendra Lodha, Mr. Arvind Herwadkar and Mr. Shailesh S. Mody.

### **Financial Performance**

The following table sets forth the summary audited financial data in accordance with Indian GAAP:

*Rs. in million (except share data)*

Particulars	For the Years Ended March 31,				For the three months period ended
	2006	2007	2008	2009	June 30, 2009
Income / Sales	13.70	414.51	4.12	1.20	-
Profit / (Loss) After Tax	1.50	292.35	(86.43)	(20.74)	(5.92)
Equity Share Capital	46.10	46.10	46.10	46.10	46.10
Reserves & Surplus (excluding Revaluation Reserves)	111.31	398.27	315.30	294.56	288.64
Earnings Per Share (in Rs; FV Rs.10/-)	0.33	63.42	(18.75)	(4.50)	(1.28)
Net Asset Value or Book Value Per Share (in Rs; FV Rs.10/-)	34.14	96.39	78.39	72.61	73.90

Tulip Star Hotels Limited is a listed company and it has not made any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA, does not have any winding up proceedings initiated against it and does not have a negative net worth. The equity shares of Tulip Star Hotels Limited are listed on Bombay Stock Exchange.

### **Promise vs. Performance**

Tulip Star Hotels Limited (erstwhile called as Cox and Kings Travel and Finance Limited) had come out with a public issue of 910,000 equity shares of Rs.10 each for cash at a premium of Rs.100 per share aggregating to Rs.100.10 million in the year 1995.

The Objects of the Issue (as mentioned in the Prospectus filed for the IPO) were:

- To consolidate its capital base, enhance its network, augment long term resources, for expanding its existing financial services division.
- To finance its diversification for setting up Money Changing Bureaus and Travel and Tourism business with emphasis on Inbound Special Tours & Conferences.
- To obtain enlistment of the Company's shares on Stock Exchange and to meet the expenses of this issue.

### **Comparative Statement (Rs. in Millions)**

Particulars	March 31, 1995			March 31, 1996			March 31, 1997			March 31, 1998		
	Actual	Projected	Variance	Actual	Projected	Variance	Actual	Projected	Variance	Actual	Projected	Variance
Total Income	21.35	21.52	(0.18)	76.38	80.83	(4.46)	63.58	122.73	(59.16)	40.75	181.72	(140.97)
Profit Before Tax	11.81	12.12	(0.31)	46.85	38.28	8.57	39.33	56.99	(17.66)	(4.07)	79.45	(83.51)
Profit After Tax	9.61	10.62	(1.01)	33.85	38.28	(4.43)	23.03	54.01	(30.98)	(4.33)	67.41	(71.74)

Tulip Star had, further, allotted 1,000,000 Equity Shares of Rs.10/- each at a premium of Rs.20/- per share aggregating to Rs.30 Mn. on January 5, 2005 on preferential basis to augment its working capital resources and towards payment of Creditors.

### **Information about the Share Price as on October 28, 2009**

Highest price in last 6 months:

BSE: Rs. 91.65 on September 22, 2009

Lowest Price in last 6 months:

BSE: Rs. 49.75 on May 7, 2009

Closing Price:

BSE: Rs. 70.00 on October 28, 2009

### **Mechanism for Redressal of Investors' grievance(s)**

The company has appointed Link Intime India Private Limited as its Registrar and Share Transfer Agents for redressing investors' grievances. The complaints received, if any are normally attended to and replied to within 10 days of receipt. There are no investor complaints pending against the company as on September 30, 2009.

## **8. V Hotels Limited ('V Hotels')**

V Hotels Limited was incorporated on September 5, 2000 as a private limited company under the Companies Act, 1956 with the name of 'Tulip Hospitality Services Private Limited' which changed to 'Tulip Hospitality Services Limited' on conversion of its status to public limited company on February 15, 2002 and subsequently changed to its current name on November 21, 2006. The registered office of V Hotels is at Chander Mukhi, Nariman Point, Mumbai – 400 021. The promoter of V Hotels is Tulip Star Hotels Limited and its principal activity is hospitality.

### **Shareholding Pattern:**

The shareholding pattern of V. Hotels Ltd. as on October 15, 2009 is detailed below:

<b>Name of Shareholder</b>	<b>No. of Equity Shares Held</b>	<b>Shareholding (%)</b>
Tulip Hotels Pvt. Ltd.	2,200,000	50.00
Tulip Star Hotels Ltd.	2,199,920	49.99
Mr. V.R. Agnihotri	30	0.0006
Mr. Shaunak Paigankar	10	0.0002
Ms. Vanaja Rajan	10	0.0002
Mr. Shailesh Katvi	10	0.0002
Mr. Ravi Mohite	10	0.0002
Mr. Girish Nadkarni	10	0.0002
<b>Total</b>	<b>4,400,000</b>	<b>100.00</b>

The shares held by individuals are for and on behalf of Tulip Star Hotels Ltd. and the required disclosure of beneficial interest is filed with ROC.

### **Board of Directors:**

The Board of Directors comprises of Dr. A. B. Kerkar, Mr. Shailesh S. Mody and Mr. Arvind Herwadkar.

### **Financial Performance:**

The following table sets forth the summary audited financial data in accordance with Indian GAAP:

*Rs. in million (except share data)*

<b>Particulars</b>	<b>For the Year March 31,</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Income / Sales	5.60	8.71	25.29	15.71
Profit / (Loss) After Tax	(333.58)	(443.47)	(192.73)	(408.10)



Equity Share Capital	44.00	44.00	44.00	44.00
Reserves & Surplus (excluding Revaluation Reserves)	(1327.19)	(1767.01)	(1959.66)	(2367.76)
Earnings Per Share (in Rs; FV Rs.10/- )	(76)	(101)	(44)	(93)
Net Asset Value or Book Value Per Share (in Rs; FV Rs.10/- )	(292)	(392)	(435)	(528)

V Hotels is an unlisted company and it has not made any public or rights issue in the preceding three years. It is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, and is not in the process of any winding up. A winding-up petition, however, has been filed against it by Tremac, which is contested by V Hotels, the details of which are provided in the chapter on "Outstanding Litigation and Material Developments" on page 240 of this Red Herring Prospectus. Further, V Hotels has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

## 9. Tulip Hotels Private Limited ('Tulip Hotels')

Tulip Hotels Private Limited was incorporated on September 19, 1997 as a private limited company under the Companies Act, 1956. The registered office of Tulip Hotels is at Chander Mukhi, Nariman Point, Mumbai – 400 021. The promoter of Tulip Hotels is Dr. Ajit B. Kerkar and its principal activity is to own and manage hotels.

### Shareholding Pattern:

The shareholding pattern of Tulip Hotels Private Limited as on October 15, 2009 is detailed below:

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
Mr. Ajit B. Kerkar	49,700	99.40
Mr. Ajay Ajit Peter Kerkar	100	0.20
Ms. Urrshila Kerkar	100	0.20
Ms. Vanaja Rajan	90	0.18
Mr. Om Navani	10	0.02
<b>Total</b>	<b>50,000</b>	<b>100.00</b>

### Board of Directors:

The Board of Directors comprises of Dr. A. B. Kerkar, Mr. Shailesh S. Mody, Mr. A.S. Anantharaman, Mr. Shaunak A. Paigankar, Ms. Vanaja Rajan and Mr. Ravindra Mohite.

### Financial Performance:

The following table sets forth the summary audited financial data in accordance with Indian GAAP:

Particulars	Rs. in million (except share data)			
	For the Years Ended March 31,			
	2006	2007	2008	2009
Income / Sales	2.76	2.68	3.66	2.05
Profit / (Loss) After Tax	(41.19)	(41.82)	(30.11)	(42.36)
Equity Share Capital	0.50	0.50	0.50	0.50
Reserves & Surplus (excluding Revaluation Reserves)	(78.32)	(120.14)	(150.24)	(192.60)
Earnings Per Share (in Rs; FV Rs.10/- )	(823.90)	(836.42)	(602.20)	(847.20)
Net Asset Value or Book Value Per Share (in Rs; FV Rs.10/- )	(1556.31)	(2392.72)	(2994.80)	(3842.00)

Tulip Hotels is not audited for the year ended March 31, 2008. Tulip Hotels is an unlisted company and it has not made any public or rights issue in the preceding three years. It is not a sick company within the meaning of the Sick

Industrial Companies (Special Provisions) Act, 1985, and is not in the process of any winding up. Further, Tulip Hotels has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

#### 10. ABK Enterprises Private Limited ('ABK Enterprises')

ABK Enterprises Private Limited was incorporated on February 25, 1998 as a private limited company under the Companies Act, 1956. The registered office of ABK Enterprises is at Chander Mukhi, Nariman Point, Mumbai – 400 021. The promoters of ABK Enterprises are Dr. Ajit B. Kerkar and his family members and its principal activities are business of consultants, advisors, experts, technical collaborators in the matters pertaining to setting up of touristic and leisure activities, including real estates, malls, entertainment complex, city and town developments.

##### *Shareholding Pattern:*

The shareholding pattern of ABK Enterprises as on October 15, 2009 is detailed below:

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
Dr. A. B. Kerkar	9,000	90.00
Mr. Ajay Ajit Peter Kerkar	500	5.00
Ms. Urrshila Kerkar	500	5.00
<b>Total</b>	<b>10,000</b>	<b>100.00</b>

##### *Board of Directors:*

The Board of Directors comprises of Dr. A. B. Kerkar, Mr. Ravindra Mohite and Mr. A.S. Anantharaman.

##### *Financial Performance:*

*The following table sets forth the summary audited financial data in accordance with Indian GAAP:*

*Rs. in million (except share data)*

Particulars	For the Years Ended March 31,			
	2006	2007	2008	2009
Income / Sales	0.00	0.47	0.74	0.00
Profit / (Loss) After Tax	(0.01)	(5.10)	(9.37)	(0.11)
Equity Share Capital	0.02	0.10	0.10	0.10
Reserves & Surplus (excluding Revaluation Reserves)	(0.34)	(5.43)	(14.80)	(14.9)
Earnings Per Share (in Rs; FV Rs.10/- )	(6.66)	(509.66)	(936.65)	(11.00)
Net Asset Value or Book Value Per Share (in Rs; FV Rs.10/- )	(216.67)	(533.40)	(1469.83)	(1490)

ABK Enterprises is an unlisted company and it has not made any public or rights issue in the preceding three years. It is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, and is not in the process of any winding up. Further, ABK Enterprises has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason. Trade Wings Hotels Ltd. has filed a suit u/s 138 of the Negotiable Instruments Act on account of which there could arise a contingent liability of Rs.97 Mn, the details of which are provided in the chapter on "Outstanding Litigation and Material Developments" on page 244 of this Red Herring Prospectus.

#### 11. Tulip Star Leisure & Health Resorts Limited ('Tulip Star Leisure')

Tulip Star Leisure & Health Resorts Ltd. was incorporated on June 24, 2002 under the Companies Act, 1956. The registered office of Tulip Star Leisure is at Chander Mukhi, Nariman Point, Mumbai – 400 021. The promoter of Tulip Star Leisure is Tulip Group and its principal activity is marketing of Time Share products.

### Shareholding Pattern:

The shareholding pattern of Tulip Star Leisure & Health Resorts Ltd. as on October 15, 2009 is detailed below:

Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
ABK Enterprises Private Limited	20,000	40
Tulip Hotels Private Limited	20,000	40
Sneh Sadan Graphic Services (P) Limited	7,000	14
Dr. A. B. Kerkar	500	1
Mr. Kanwaljit Singh Sindhu	500	1
Mr. Vasant R. Agnihotri	500	1
Mr. Shaunak A. Paigankar	500	1
Mr. Anil Wad	500	1
Ms. Vanaja Rajan	500	1
<b>Total</b>	<b>50,000</b>	<b>100</b>

### Board of Directors:

The Board of Directors comprises of Dr. A. B. Kerkar, Mr. Shailesh S. Mody, Mr. B. Dwarakanath and Mr. A.S. Anantharaman.

### Financial Performance:

The following table sets forth the summary audited financial data in accordance with Indian GAAP:

Particulars	Rs. in million (except share data)			
	For the Years Ended March 31,			
	2006	2007	2008	2009
Income / Sales	2.09	1.64	0.90	0.75
Profit / (Loss) After Tax	(2.54)	(4.36)	(1.80)	(2.86)
Equity Share Capital <sup>#</sup>	0.50	0.50	0.50	0.50
Reserves & Surplus (excluding Revaluation Reserves)	(35.07)	(39.43)	(41.22)	(44.08)
Earnings Per Share (in Rs; FV Rs.10/- )	(50.81)	(87.13)	(35.87)	(57.20)
Net Asset Value or Book Value Per Share (in Rs; FV Rs.10/- )	(701.49)	(788.63)	(824.50)	(603.6)

<sup>#</sup> does not include Share Application Money which stood at Rs.13.4Mn as on March 31, 2006, 2007 and 2008.

Tulip Star Leisure is an unlisted company and it has not made any public or rights issue in the preceding three years. It is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, and is not in the process of any winding up. Further, Tulip Star Leisure has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason. There is a claim of Rs.300 Mn. in respect of a Miscellaneous Suit filed by Trade Wings Hotels Ltd. against Tulip Star Leisure & Others on February 8, 2007, the details of which are provided in the chapter on 'Outstanding Litigation and Material Developments' on page 244 of this Red Herring Prospectus.

## 12. Environmental Journey's Limited ('Environmental Journey's')

Environmental Journey's Limited (erstwhile registered as Hoptowit Limited and then the change from Cox & Kings Air Courier Limited to its current name on October 15, 1990) was incorporated under the Companies Acts 1948 to 1981, on November 16, 1982 (No.01678629) as a Company limited by shares. The principle activity of the company is to carry on the business as a general commercial company; and any other trade or business which may seem to the company and its

directors to be advantageous and to directly or indirectly enhance. The present registered office is situated at 4th Floor, Gordon House, 10 Greencoat Place, London SW1P 1PH

### **Shareholding Pattern**

The shareholding pattern of Environmental Journey's Limited as on October 15, 2009 is detailed below:

<b>Name of Shareholder</b>	<b>No. of Equity Shares</b>	<b>% of Issued Capital</b>
Mr. A. B. M. Good	1	50
Mr. Ajay Ajit Peter Kerkar	1	50
<b>Total</b>	<b>2</b>	<b>100</b>

### **Board of Directors**

The Board of Directors comprises of Mr. A. B. M. Good and Mr. Ajay Ajit Peter Kerkar.

### **Financial Performance**

The following table sets forth the summary audited financial data of Environmental Journey's Limited in accordance with Indian GAAP:

<b>Particulars</b>	<i>Amount in Rs. (except share data)</i>		
	<b>For the Year Ended March 31,</b>		
	<b>2007</b>	<b>2008</b>	<b>2009</b>
Income / Sales	-	-	-
Profit / (Loss) After Tax	-	-	-
Equity Share Capital	171.10	159.16	145.34
Reserves & Surplus (excluding Revaluation Reserves)	16853.35	15677.26	14315.99
Earnings Per Share (in Rs; FV GBP1)	-	-	-
Net Asset Value or Book Value Per Share (in Rs; FV GBP1)	8212.8	7639.68	6976.32

*\*Under section 249 AA (1), Companies Act, 1985 of United Kingdom, dormant companies are exempted from having annual audited accounts.*

Environmental Journey's Limited is an unlisted company and it has not made any public or rights issue in the preceding three years. It is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, and is not in the process of any winding up. Further, Environmental Journey's Limited has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

### 13. The Bolshoi Express Limited ('Bolshoi Express')

The Bolshoi Express Limited (erstwhile 'OTIC Limited' with the change to its current name on December 24, 1992) was incorporated under the Companies Acts 1985, on December 7, 1992 (No.02771570) as a Private Company limited by shares. The principle activity of the company is that of travel and tourist agents and to promote and conduct tours by train. The registered office is situated at 6th Floor, 30 Millbank, London, SW1P 4EE.

#### *Shareholding Pattern*

The shareholding pattern of The Bolshoi Express Limited as on October 15, 2009 is detailed below:

Name of Shareholder	No. of Equity Shares	% of Issued Capital
Cox & Kings Travel Ltd	1	50
Stratum Ltd	1	50
<b>Total</b>	<b>2</b>	<b>100</b>

#### *Board of Directors*

The Board of Directors comprises of Mr. V. P. Tereshenko, Mr. M. B. Rabinovitch, Mr. A. B. M. Good and Mr. Ajay Ajit Peter Kerkar.

#### *Financial Performance*

The following table sets forth the summary audited financial data of Bolshoi Express in accordance with Indian GAAP:  
*Rs. in millions (except share data)*

Particulars	For the Year Ended March 31,			For the three months period ended June 30,
	2007	2008	2009	2009
Income / Sales	0.13	0.00	0.00	0.00
Profit / (Loss) After Tax	0.08	0.00	0.00	0.00
Equity Share Capital	0.09	0.08	0.07	0.08
Reserves & Surplus (excluding Revaluation Reserves)	-18.00	-16.80	-15.65	(16.96)
Earnings Per Share (in Rs; FV GBP500)	41,529.26	0.00	0.00	0.00
Net Asset Value or Book Value Per Share (in Rs; FV GBP500)	(8,955,632.48)	(8,362,096.72)	(7,789,916.61)	(8,441,269.14)

The Bolshoi Express Limited is an unlisted company and it has not made any public or rights issue in the preceding three years. It is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, and is not in the process of any winding up. Further, The Bolshoi Express Limited has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

#### **Declaration**

We confirm that our Promoters and Promoter Group entities, including relatives of the Promoters, have confirmed that they have not been detained as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or currently pending against them. None of our Promoters or Persons in Control of Bodies Corporate forming part of our Promoter Group has been restricted from accessing the capital markets.

### **Defunct Promoter Group Companies**

Save and except as disclosed in this chapter, none of our group companies have been defunct.

### **Common Pursuits**

We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, if at all and as and when they may arise. Save and except as disclosed in the Red Herring Prospectus, the Promoters do not have an interest in any venture that is involved in any activities similar to those conducted by the Company or any member of the Promoter Group.

### **Litigation**

For details regarding litigations involving our Promoters and Promoter Group entities, please refer to the chapter titled '*Outstanding Litigation and Material Developments*' beginning on page 244 of this Red Herring Prospectus.

### **Sale or Purchase between our Company and companies in the Promoter Group**

Save and except as stated in the section titled '*Related Party Transactions*' on page 165 of this Red Herring Prospectus there have been no sales or purchases between the Group companies.

### **Public Issue by Group Companies and Listed Group Companies**

Save and except as disclosed in this chapter, none of our group companies have made a public issue or rights issue in the last three years nor is any company in our Promoter Group listed.

### **Striking-Off**

Since incorporation, none of the Promoter Group Companies have been Striked-Off.

### **Related Party Transactions**

Save and except as disclosed as an Annexure to the Financial Statements on page 171 of this Red Herring Prospectus, there has been no payment or benefits to our Promoters during the last five years preceding the date of this Red Herring Prospectus.

## DIVIDEND POLICY

The declaration and payments of dividend on our Equity Shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend upon a number of factors, including but not limited to our profits, capital expenditure, capital requirements and overall financial conditions.

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 dividend and dividend tax paid by our Company during the last five financial years is presented below:

### SCHEDULE OF RATES OF DIVIDEND

The detail of dividends declared by the company is as under:

Particulars	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
No. of Equity Shares of Rs.10 each	27,925,260	27,925,260	5,440,000	5,440,000	900,000
Rate of Dividend	2%	2%	7%	7%	7%
Amount of Dividend	5,585,052	5,585,052	3,808,000	3,808,000	630,000
Dividend Tax	949,180	949,180	534,072	534,072	82,333
Total Payout	6,534,232	6,534,232	4,342,072	4,342,072	712,333

The amount paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

## SECTION V: FINANCIAL STATEMENTS

### AUDITORS REPORT

October 26, 2009

To,  
Board of Directors,  
Cox and Kings (India) Limited,  
Turner Morrison Building,  
1st Floor, 16 Bank Street, Fort,  
Mumbai- 400 001

Dear Sirs,

We have examined the financial information of Cox and Kings (India) Limited (the “**Company**”), as attached to this report and initialled by us for identification.

The said financial information has been prepared in accordance with the requirements of paragraph B, Part II of Schedule II of the Companies Act, 1956 (the “**Act**”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 (the “**SEBI Regulations**”) and the related clarifications thereto issued by the Securities and Exchange Board of India (“**SEBI**”) as amended to date, and in terms of our engagement letter dated August 10, 2009, in connection with the Offer Document being issued by the Company in connection with the proposed Initial Public Offer of equity shares. The financial information has been prepared by the Company and approved by the Board of Directors of the Company.

#### **A. Restated financial information as per audited financial statements**

We have examined:

- a) the attached “Statement of Profits and Losses, as restated” of the Company for the year ended March 31, 2005, March 31, 2006, March 31, 2007, March 31, 2008 ,March 31, 2009 and three months ended June 30, 2009 enclosed in Annexure I;
- b) the attached “Statement of Assets and liabilities, as restated” as at the said dates enclosed as Annexure II; and
- c) the attached ‘Statement of Cash Flows, as restated’ in respect of year ended March 31, 2005, March 31, 2006, March 31, 2007, March 31, 2008 , March 31, 2009 and three months ended June 30, 2009 enclosed in Annexure III to this report together referred to as ‘Summary Statements’.

The Summary Statements for the March 31, 2005 and March 31, 2006, have been extracted from the financial statements of the respective periods audited and reported by M/s. RSM & Co., Chartered Accountants and have been accepted by us in so far as it relates to the amounts included in Summary Statements. The Summary Statements for the financial year ended March 31, 2007, March 31, 2008 ,March 31, 2009 and three months ended June 30, 2009 have been extracted from the financial statements of the respective periods audited by us. The financials statements for the year ended March 31, 2005, March 31, 2006, March 31, 2007, March 31, 2008 and March 31, 2009 have been approved by Board of Directors and adopted by the members. Financial Statements for three months period ended June 30, 2009 has been approved by the board of directors in the meeting held on October 16, 2009.

Based on our examination of these summary statements, we state:

- The restated profits have been arrived at after making such adjustments and regrouping as set out in Annexure V which in our opinion are appropriate in the years to which they relate.
- The qualifications in the Auditor’s Report that are quantifiable and that require any adjustment to the summary statements has been appropriately adjusted as set out in Annexure V.



- The extra-ordinary items that need to be disclosed separately in the summary statements has been appropriately disclosed.

## **B. Other Financial Information**

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 and annexed to this report:

- a) Statement of Accounting Ratios, as restated, as given in Annexure VI to this report.
- b) Statement of related party transactions given in Annexure VII to this report.
- c) Statement of Segmental information given in Annexure VIII to this report.
- d) Details of Dividend paid by the Company given in Annexure IX to this report.
- e) Statement of tax shelter as given in Annexure X to this report.
- f) Capitalisation statement of the Company as at June 30, 2009 as given in Annexure XI to this report.
- g) Statement of Debtors as given in Annexure XII to this report.
- h) Statement of Loans and Advances as given in Annexure XIII to this report.
- i) Statement of Contingent liabilities as given in Annexure XIV to this report.
- j) Statement of Other Income given in Annexure XV to this report.
- k) Statement of Secured Loans and Unsecured Loans as given in Annexure XVI and XVII to this report.
- l) Statement of Investments as given in Annexure XVIII to this report.

In our opinion the restated financial information of the Company, attached to this report as mentioned in Paragraphs A and B above, read with respective significant accounting policies and notes as given in Annexure IV and Annexure V to this report, and after making adjustments and regrouping as considered appropriate, has been prepared in accordance with Part II of Schedule II of the Act and the Regulations issued by SEBI.

This report is intended solely for your information and for inclusion in the Offer Document in connection with proposed Public Issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner  
Membership No. 103141

## Annexure I

## STATEMENT OF PROFIT &amp; LOSS, AS RESTATED

(Rs. in Millions)

	Three months Period ended June 30, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
<b>Income</b>						
Commission and Operating Income	610.67	1,550.94	1,175.92	891.43	631.71	420.49
Other Income	23.58	62.76	45.47	23.71	25.74	34.69
<b>Total</b>	<b>634.25</b>	<b>1,613.71</b>	<b>1,221.39</b>	<b>915.13</b>	<b>657.45</b>	<b>455.18</b>
<b>Expenditure</b>						
Personnel Expenses	86.08	318.53	242.55	168.38	150.83	80.96
Other Expenses	207.31	545.35	411.84	321.01	277.95	170.14
Interest and finance charges(net)	22.29	91.21	40.88	50.15	30.75	66.36
Depreciation	12.13	49.47	38.55	29.95	18.04	14.22
<b>Total</b>	<b>327.82</b>	<b>1,004.56</b>	<b>733.82</b>	<b>569.48</b>	<b>477.58</b>	<b>331.66</b>
<b>Net Profit/(Loss) before Tax and Extra Ordinary Items</b>	<b>306.44</b>	<b>609.15</b>	<b>487.56</b>	<b>345.65</b>	<b>179.87</b>	<b>123.52</b>
<b>Taxation</b>						
Current Tax	85.33	241.98	158.31	124.65	74.63	21.27
Deferred Tax	16.84	(22.52)	0.82	0.63	(8.73)	(4.17)
Fringe Benefit Tax	-	7.92	7.80	5.20	6.22	-
<b>Net Profit/(Loss) after Tax before Extra Ordinary Items</b>	<b>204.27</b>	<b>381.76</b>	<b>320.63</b>	<b>215.16</b>	<b>107.76</b>	<b>106.42</b>
Extra-ordinary items (net of tax) (Receipt on relinquishment of Tenancy Rights)	-	-	-	-	65.72	-
<b>Net Profit after Tax and Extra Ordinary Items</b>	<b>204.27</b>	<b>381.76</b>	<b>320.63</b>	<b>215.16</b>	<b>173.47</b>	<b>106.42</b>
<b>Balance brought forward</b>	<b>1,147.41</b>	<b>772.18</b>	<b>460.39</b>	<b>249.57</b>	<b>80.44</b>	<b>(25.28)</b>
Less: Additional charge on adoption of AS-15(R )	-	-	2.31	-	-	-
Proposed Dividend	-	5.59	5.59	3.81	3.81	0.63
Tax on dividend	-	0.95	0.95	0.53	0.53	0.08
Interim Dividend	-	-	-	-	-	-
<b>Balance carried to Balance Sheet</b>	<b>1,351.68</b>	<b>1,147.41</b>	<b>772.18</b>	<b>460.39</b>	<b>249.57</b>	<b>80.44</b>

The above statement should be read with the significant accounting policies and notes appearing in Annexure IV and V.

## Annexure II

## STATEMENT OF ASSETS &amp; LIABILITIES, AS RESTATED

(Rs. in Millions)

	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
<b>A. Fixed Assets</b>						
Gross Block	400.43	399.49	309.29	258.34	181.29	157.64
Less: Depreciation	219.47	207.63	162.17	126.06	96.23	94.70
Net Block	180.97	191.86	147.12	132.29	85.07	62.95
Add: Capital Work in Progress/Capital Advances	41.37	36.55	25.38	5.68	45.70	24.83
	<b>222.34</b>	<b>228.41</b>	<b>172.50</b>	<b>137.96</b>	<b>130.77</b>	<b>87.78</b>
<b>B. Deferred Tax Asset</b>	<b>18.30</b>	<b>35.15</b>	<b>12.63</b>	<b>12.28</b>	<b>12.91</b>	<b>4.18</b>
<b>C. Investment</b>	<b>1,096.20</b>	<b>1,095.30</b>	<b>985.88</b>	<b>617.07</b>	<b>358.70</b>	<b>194.84</b>
<b>D. Current Assets, Loans and Advances</b>						
Inventories	46.87	35.27	40.53	18.95	11.44	12.41
Sundry Debtors	1,628.09	1,849.63	1,542.19	740.76	445.46	478.71
Cash and Bank	319.42	275.83	350.64	154.16	265.99	261.31
Loans and Advances	2,448.34	2,188.54	1,385.91	944.03	889.33	609.17
	<b>4,442.72</b>	<b>4,349.27</b>	<b>3,319.27</b>	<b>1,857.89</b>	<b>1,612.22</b>	<b>1,361.60</b>
<b>Total Assets</b>	<b>5,779.56</b>	<b>5,708.13</b>	<b>4,490.28</b>	<b>2,625.20</b>	<b>2,114.60</b>	<b>1,648.40</b>
<b>E. Liabilities and Provisions</b>						
Secured Loans	1,197.57	826.33	502.35	272.07	457.46	323.42
Unsecured Loans	1,187.24	1,020.20	713.00	300.00	185.90	287.23
Current Liabilities	534.90	1,290.41	1,326.96	1,025.60	781.55	853.36
Provisions	798.85	714.47	466.48	277.15	150.13	40.96
	<b>3,718.56</b>	<b>3,851.40</b>	<b>3,008.78</b>	<b>1,874.82</b>	<b>1,575.05</b>	<b>1,504.97</b>
<b>F. Networth</b>	<b>2,060.99</b>	<b>1,856.73</b>	<b>1,481.50</b>	<b>750.38</b>	<b>539.56</b>	<b>143.43</b>
<b>Represented by</b>						
1. Share Capital (Equity paid-up capital)	279.25	279.25	279.25	54.40	54.40	9.00
2. Reserves and Surplus	1,781.74	1,577.48	1,202.25	695.98	485.16	134.43
2.1. Capital Reserve	1.75	1.75	1.75	1.75	1.75	1.75
2.2. Security premium account	405.47	405.47	405.47	211.00	211.00	29.40
2.3. General Reserve	17.22	17.22	17.22	17.22	17.22	17.22
2.4. Foreign Currency Earnings Reserve	5.62	5.62	5.62	5.62	5.62	5.62
2.5. Profit & Loss account balance	1,351.68	1,147.41	772.18	460.39	249.57	80.44

The above statement should be read with the significant accounting policies and notes appearing in Annexure IV and V.

## Annexure III

## CASH FLOW STATEMENT, AS RESTATED

(Rs. in Millions)

	Three Months Period ended June 30, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
<b>Cash flow from operating activities:</b>						
<b>Net Profit before taxation and extra-ordinary item</b>	<b>306.44</b>	<b>609.15</b>	<b>487.56</b>	<b>345.65</b>	<b>179.87</b>	<b>123.52</b>
Add: Extra-Ordinary items	-	-	-	-	84.85	-
	<b>306.44</b>	<b>609.15</b>	<b>487.56</b>	<b>345.65</b>	<b>264.72</b>	<b>123.52</b>
Adjustments for:						
- Depreciation	12.13	49.47	38.55	29.95	18.04	14.22
- Dividend Income	-	-	-	-	(0.01)	(0.40)
- Interest Expense	22.29	91.21	40.88	50.15	28.84	39.85
- Interest income	(13.38)	(44.94)	(33.39)	(21.38)	(20.20)	(1.76)
- (Profit)/Loss on sale of investments (net)	(0.27)	-	(1.78)	-	(2.53)	(26.49)
- (Profit)/Loss on sale of fixed assets (net)	0.21	0.12	(0.04)	0.17	4.23	1.53
- Bad debts written off/provision for bad and doubtful debts	-	-	-	-	5.32	27.12
Operating Profit before working capital changes	326.52	706.20	532.28	404.53	298.42	177.58
(Increase) / Decrease in Trade Receivables	221.53	(307.44)	(801.43)	(295.30)	27.93	(177.32)
(Increase) / Decrease in Loans and advances	(229.41)	(683.45)	(243.01)	85.45	(215.89)	(79.32)
(Increase) / Decrease in Inventories	(11.59)	5.26	(21.59)	(7.50)	0.97	(5.89)
Increase / (Decrease) in Current liabilities	(744.87)	37.92	337.12	171.86	(47.57)	331.61
<b>Cash generated from / (used in) from operations</b>	<b>(437.83)</b>	<b>(241.51)</b>	<b>(196.62)</b>	<b>359.04</b>	<b>63.85</b>	<b>246.66</b>
Income tax / Fringe Benefit tax paid	(20.02)	(95.83)	(172.82)	(123.57)	(48.79)	(23.21)
<b>Net Cash generated from / (used in) operating activities</b>	<b>(457.85)</b>	<b>(337.33)</b>	<b>(369.44)</b>	<b>235.46</b>	<b>15.06</b>	<b>223.45</b>
<b>Cash flow from investing activities:</b>						
Payment towards Purchase of Fixed Assets and Capital Work in Progress	(6.90)	(107.44)	(73.50)	(37.42)	(65.99)	(31.79)
Proceeds from Sale of Fixed Assets	0.64	1.94	0.46	0.12	0.72	0.74
Interest Received	3.01	9.85	7.34	4.80	4.84	0.70
Purchase of Investments	(290.00)	(110.61)	(168.80)	(258.36)	(164.07)	(180.10)
Dividend Received	-	-	-	-	0.01	0.40
Proceeds from Sale of Investments	290.27	-	211.79	-	2.73	28.50
<b>Net Cash generated from / (used in) investing activities</b>	<b>(2.98)</b>	<b>(206.27)</b>	<b>(22.71)</b>	<b>(290.87)</b>	<b>(221.75)</b>	<b>(181.56)</b>
<b>Cash flow from financing activities:</b>						
Increase/(decrease) in borrowings (Net)	538.28	631.18	643.28	(71.30)	32.71	154.97
Proceeds from issue of share capital	-	-	20.00	-	227.00	-
Dividend Paid	-	(6.53)	(4.34)	(4.34)	(0.71)	(0.20)
Interest paid	(22.29)	(91.21)	(40.88)	(50.15)	(28.84)	(42.07)
Deferred Revenue expenses incurred	-	-	(11.20)	-	-	-

<b>Net Cash generated from / (used in) financing activities</b>	<b>515.99</b>	<b>533.43</b>	<b>606.86</b>	<b>(125.79)</b>	<b>230.16</b>	<b>112.70</b>
Net Increase / (Decrease) in cash and cash equivalents	55.16	(10.17)	214.71	(181.20)	23.48	154.60
Cash and cash equivalents at the beginning of the period / year	260.70	270.87	56.16	237.36	213.88	59.29
<b>Cash and cash equivalents at the end of the year</b>	<b>315.85</b>	<b>260.70</b>	<b>270.87</b>	<b>56.16</b>	<b>237.36</b>	<b>213.88</b>

The above statement should be read with the significant accounting policies and notes appearing in Annexure IV and V.

**NOTES ON ACCOUNTS FOR THE RESTATED SUMMARY FINANCIAL STATEMENTS**

1. Summary of significant accounting policies

a) Method of Accounting:

The financial statements are prepared as per historical cost convention on accrual basis and comply with the provisions of the Companies Act, 1956, the generally accepted accounting principles in India and the applicable accounting standards notified by Companies (Accounting Standards) Rules, 2006.

b) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of the assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

c) Turnover:

In line with generally accepted accounting practices, turnover comprises of net commissions earned on travel management, service agency charges including margins in respect of tour and tour related services and commissions/margins earned on foreign exchange transactions in the normal course of the business as Authorised Dealer and Franchisee Signup fees. The income arising from the buying and selling of foreign currencies has been included on the basis of margins achieved..

d) Revenue Recognition:

In accordance with the Company's accounting policy followed consistently, commissions/income arising from tours and related services is accounted after netting off all direct expenditures relating thereto. Income from buying and selling of foreign currencies is accounted on net basis as stated in (c) above.

e) Expenditure:

All general business expenditure is accounted in the year in which it is incurred. All direct tour related expenses including advertisement expenses for specific tour are accounted in the year in which the tours are undertaken.

f) Fixed Assets:

Fixed Assets are stated at cost, less accumulated depreciation. Costs include all costs relating to acquisition and installation of fixed assets. Intangible assets represent "customer data base and contacts", stated at the valued amount and Software stated at cost

g) Depreciation:

Depreciation on fixed assets is provided on the written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Intangible assets are amortised over a period of five to ten years, being the expected period of use. The leasehold land and leasehold improvements are depreciated over the lease period.

h) Investments:

Long-term investments are valued at cost. Provision for diminution in value of investments is made, if the diminution is of a nature other than temporary. Current investments are valued at the lower of cost and market value.

i) Inventory:

Inventory represents stock of foreign currencies, which have been valued at lower of cost and realisable value as at the year-end.

j) Employee Retirement Benefits:

- a. Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b. Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

k) Foreign Currency Transactions:

- i) Transactions denominated in foreign currencies are recorded at spot rates / average rates.
- ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- c. Non monetary foreign currency items are carried at cost.
- d. In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate on the date of transaction. Branch monetary assets and liabilities are restated at the year end rates.
- e. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.

l) Accounting for taxes on Income:

Provision for current tax is made, based on the tax payable under the relevant statute.

Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty of its realisation.

m) Provision, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent

Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

2. Notes forming part of Accounts as restated

a) As at June 30, 2009 and March 31, 2009, issued Equity Shares consists of 11,39,815 (98,500 – for periods prior to March 31, 2008) Equity Shares of Rs.10/- each issued pursuant to a contract without payment being received in cash.

As at June 30, 2009 and March 31, 2009, 19,443,945 Equity Shares of Rs.10/- each were issued as bonus shares by capitalisation of reserves.

b) In the opinion of the Board of Directors, the current assets and loans & advances have a value on realisation in ordinary course of business at least equal to the amount at which they are stated.

c) In the year 2005-06, exceptional receipt represents relinquishment by the Company of its tenancy rights in respect of an immovable property for an agreed amount of Rs 84.85 millions

d) Unsecured loan to the extent of Rs 118 Crores is secured by personal guarantee of a director

e) Disclosure as per Accounting Standard 15 (Revised) “Employee Benefits” notified by company (Accounting Standard) Rules, 2006 are as under : -

**Defined Contribution Plan** Contribution to Defined Contribution Plan, recognised as expense for the year are as under:

	Three Months Period Ended June 30, 2009 ----- (Rs. in Lacs)
Employer’s Contribution to Provident Fund	30.31
Employer’s Contribution to Pension Scheme	16.30

**Defined Benefit Plan**

The Company operates post retirement benefit plans as follows:

**A. Funded**

Gratuity

**B. Unfunded**

Leave Encashment

**I. Reconciliation of opening and closing balances of Defined Benefit obligation**

	(Rs. in Lacs)	
	As at June 30, 2009	
	Gratuity (Funded)	Leave Encashment (Unfunded)
Defined Benefit Obligation at the beginning of the period	248.22	255.42
Current Service Cost	11.63	26.35
Interest Cost	5.14	5.63
Contribution by the plan participants	-	-



Actuarial (gain)/ loss	0.47	(53.65)
Benefits paid	(5.00)	-
Defined Benefit Obligation at the end of the period	<b>260.48</b>	<b>233.75</b>

## II. Reconciliation of fair value of assets and obligations

(Rs. in Lacs)

	<b>Gratuity (Funded)</b>	<b>Leave Encashment (Unfunded)</b>
Fair Value of Plan assets as on 30 <sup>th</sup> June, 2009	-	-
Present Value of benefit obligation as on 30 <sup>th</sup> June, 2009	260.48	233.75
Amount to be recognised in Balance Sheet	260.48	233.75

## III. Expenses recognized during the year

(Rs. in Lacs)

	<b>Gratuity (Funded)</b>	<b>Leave Encashment (Unfunded)</b>
Current Service Cost	11.63	26.35
Interest cost on benefit obligation	5.14	5.63
Actuarial (gain)/ loss recognized in the year	0.47	(53.65)
Past Service Cost	-	-
Net benefit expense	17.25	(21.66)
Actual return on plan asset	-	-

## IV. Actuarial assumptions

(Rs. in Lacs)

	<b>Gratuity (Funded)</b>	<b>Leave Encashment (Unfunded)</b>
Discount Rate (per annum)	<b>8.00%</b>	<b>8.00%</b>
Expected rate of return on assets (per annum)	---	---
Rate of escalation in salary (per annum)	<b>4.00%</b>	<b>4.00%</b>

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The expected rate of return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risks historical results of return on plan assets and the Company's policy for plan asset management.

f) Break up of Deferred Tax liability is as under:

Rs. in Millions

	<b>Three months Period ended June 30, 2009</b>	<b>Year ended March 31, 2009</b>	<b>Year ended March 31, 2008</b>	<b>Year ended March 31, 2007</b>	<b>Year ended March 31, 2006</b>	<b>Year ended March 31, 2005</b>
<b>Deferred Tax Asset</b>						
Carried forward losses	-	-	-	-	-	-
Depreciation	0.33	-	-	-	0.28	-
Provision for Gratuity/leave encashment	17.97	18.29	14.95	6.57	7.52	6.19

Provision for bad debts/advances	-	-	-	-	-	-
Disallowances u/s 43B/40(a)	-	18.00	-	7.69	5.11	0.00
<b>Total</b>	<b>18.30</b>	<b>36.29</b>	<b>14.95</b>	<b>14.25</b>	<b>12.91</b>	<b>6.19</b>
<b>Deferred Tax Liabilities</b>						
Depreciation	-	1.14	2.32	1.97	-	2.00
<b>Net Deferred Tax Assets</b>	<b>18.30</b>	<b>35.15</b>	<b>12.63</b>	<b>12.28</b>	<b>12.91</b>	<b>4.18</b>

g) Particulars of Earnings Per Share:

	Rs. In millions					
	Three Months period ended June 30, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Net Profit/(Loss) after tax before extra-ordinary items	186.26	381.76	320.63	215.16	107.76	106.42
Net Profit/(Loss) after tax after extra-ordinary items	186.26	381.76	320.63	215.16	173.47	106.42
Weighted average equity shares outstanding during the year	27925260	27925260	15875909	24883945	24127278	20343945
Face value per share (Rs.)	10	10	10	10	10	10
Earnings per Share - Basic and Diluted (Rs.)						
- Before extra-ordinary income	6.67	13.67	20.20	8.65	4.47	5.23
- After extra-ordinary income	6.67	13.67	20.20	8.65	7.19	5.23

h) The Company operates in only one business segment, namely Tours and Travel.

### 3. Regrouping

Figures in the restated financial statements have been appropriately regrouped to conform to the reclassifications made in the subsequent years.

## STATEMENT OF ADJUSTMENTS IN THE RESTATED FINANCIAL STATEMENTS

## 1. Restatements

## a) Deferred Revenue Expenditure

The expenditure incurred by the company prior to March 31, 2004 on promotion of specific branded products viz. 'Duniya Dekho', 'Bharat Dekho' and 'Flexi Hols' to establish the brands in the markets were written off over a period of five years, being the expected period of commercial benefit to the Company. As required by Accounting Standard AS 26 – Intangible Assets, the accounts have been restated and the unamortized amount of Rs.82.60 millions as at 31-03-2004 has been adjusted in opening reserves as at 1-4-2004.

## b) Taxation

- i. Adjustments have been made to the reduce the deferred tax liability aggregating to Rs.36.65 millions for the financial year ended March 31, 2005, March 31, 2006 and March 31, 2007 on account of the deferred revenue expenditure restated as stated above. Also the deferred tax liability has been reduced by Rs.29 million as at March 31, 2004, which were adjusted against the General Reserves/Profit and loss account has been restated.
- ii. Excess / shortfall in provision for income tax arising on completion of assessments accounted in the financial statements for the years 2005-06 and 2008-09 have been adjusted in the relevant financial years to which they relate to in the restated financial statements.
- iii. Consequent to above adjustments given in para (a) above, the tax liabilities for the years from 2004-05 to 2006-07 were recomputed and the current tax provision for the respective years have been restated in the restated financial statements.

## c) Reconciliation of Profit/(Loss) as per Audited Accounts with Restated Statements

Rs. in Millions

	Three Months period ended June 30,2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
<b>Net Profit /(loss)as per audited accounts</b>	<b>204.29</b>	<b>382.19</b>	<b>315.57</b>	<b>205.40</b>	<b>149.13</b>	<b>84.97</b>
Deferred Revenue Expenditure [as per para (a) above]	-	-	-	17.64	32.44	32.51
Taxation [as per para (e) above]	(0.03)	(0.42)	5.06	(7.87)	(8.10)	(11.06)
<b>Net Profit /(loss) as per Restated Statements</b>	<b>204.27</b>	<b>381.76</b>	<b>320.63</b>	<b>215.16</b>	<b>173.47</b>	<b>106.42</b>

## 2. Statement of Auditors Qualification

There are no Auditor's Qualifications that has remained unadjusted in respect of the financial years ended March 31, 2005 to Three months period ended June 30, 2009.

3. **Balance of Profit and Loss account, as restated as at 1-4-2004**

		Rs. in millions
<b>Balance in Profit and Loss account as per audited financial statement</b>		<b>45.35</b>
Less:		
- Deferred Revenue Expenditure as at 31-3-2004 Charged off		82.60
Add:		
- Tax adjustment in respect of earlier years	0.18	
- Provision for deferred tax asset as at 31-12-01	11.80	11.97
<b>Restated Balance in Profit and Loss account as at 31-3-2004</b>		<b>(25.28)</b>

## ACCOUNTING RATIOS

	Three Months Period ended June 30, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Earnings Per Share - Basic (Rs.)	7.31	13.67	20.20	8.65	7.19 <sup>1)</sup>	5.23
Earnings Per Share - Diluted (Rs.)	7.31	13.67	20.20	8.65	7.19 <sup>1)</sup>	5.23
Return on Networth (%)	9.91%	20.56%	21.64%	28.67%	19.97%	74.20%
Net Asset Value per Equity Share (Rs.)	73.80	66.49	93.32	137.94	115.21	159.37

Notes:

1) Earnings Per Share is stated after considering extra-ordinary income

2) Ratios have been computed as below:

Earnings per share – Basic (Rs.)

Net Profit as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year.

Earnings per share – Diluted (Rs.)

Net Profit as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year.

Return on Networth (%)

Net profit after tax before extra-ordinary item, as restated / Networth at the end of the year.

Net asset value per equity share (Rs.)

Networth at the end of the year / Number of equity shares outstanding at the end of the year

## STATEMENT OF RELATED PARTY TRANSACTIONS

**A) Name of Related Parties and nature of relationship where control exists as identified by the Management****i) Subsidiary Companies**

ETN Services Ltd.	From 30-3-2006
CNK Internet Pte Ltd.	From 15-5-2006
Cox & Kings Tours (L.L.C.)	From 7-2-2007
Cox & Kings Ltd.	From 1-9-2007
Cox & Kings Travel Ltd.	From 1-9-2007
Cox & Kings Japan Ltd.	From 1-9-2007
Cox & Kings Shipping Ltd.	From 1-9-2007
Cox & Kings Special Interest Holidays Ltd.	From 1-9-2007
Cox & Kings Tours Ltd.	From 1-9-2007
Cox & Kings Enterprises Ltd.	From 1-9-2007
Cox & Kings Holdings Ltd.	From 1-9-2007
Cox & Kings Investments Ltd.	From 1-9-2007
Cox & Kings Finance Ltd.	From 1-9-2007
Cox & Kings (Mauritius) Ltd.	From 1-9-2007
Grand Tours Ltd.	From 1-9-2007
C & K Investment Limited	From 1-9-2007
Cox & Kings (Agents) Ltd.	From 1-9-2007
East India Travel Company Inc	From 8-4-2009
Quoprrro Global services Private Limited	From 1-10-2008
Tempo Holidays Pty Limited	From 5-11-2008
Tempo Holidays NZ Limited	From 19-12-2008
Cox & Kings (Australia) Pty Ltd.	From 25-02-2008
Quoprrro Global Services Pte Ltd.	From 01-10-2008

**ii) Key Management Personnel**

Mr. A.B.M Good  
Mr. Peter Kerkar  
Ms. Urrshila Kerkar

(Rs. in Millions)

<b>B) Nature of Transactions</b>	<b>Nature of Transaction</b>	<b>Three Months Period ended June 30, 2009</b>	<b>Year ended March 31, 2009</b>	<b>Year ended March 31, 2008</b>	<b>Year ended March 31, 2007</b>	<b>Year ended March 31, 2006</b>	<b>Year ended March 31, 2005</b>
<b>Name of the Party</b>							
<b>Associates</b>							
Tulip Star Hotels Ltd.	Dividend Paid	-	-	-	-	0.29	0.04
	Interest Paid	-	-	-	8.78	9.85	9.85
	Interest Received	6.14	21.45	4.77	1.65	-	-
	Loans/Advances Given	4.76	30.76	106.24	15.95	42.52	2.18
	Outstanding Balance Debit	168.61	163.85	133.08	26.85	(78.61)	(121.13)

	/(Credit)						
	Investments	14.03	14.03	14.03	14.03	14.03	14.03
Liz Investments Pvt. Ltd.	Dividend Paid	-	1.38	1.20	-	1.06	0.11
	Interest Received	1.22	4.08	2.17	0.68	-	-
	Loans/Advances Given	1.22	6.34	18.88	4.07	1.73	1.45
	Loans/Advances Taken	-	-	-	-	-	67.73
	Outstanding Balance Debit	33.68	32.46	26.12	7.25	3.17	(66.29)
	/(Credit)						
<b>Subsidiaries/Fellow Subsidiary</b>							
Clearmine Ltd	Investment	163.39	163.39	163.39	163.39	161.59	-
ETN Services Ltd.	Purchases	33.40	313.97	207.19	162.79	172.97	131.79
	Outstanding Balance Debit	(41.34)	(141.50)	(27.59)	(20.61)	-	-
	/(Credit)						
CNK Internet Pte Ltd	Investment	2.88	2.88	2.88	2.88	-	-
	Advances Given	4.20	17.59	0.90	0.78	-	-
	Outstanding Balance Debit	23.47	19.27	1.68	0.78	-	-
	/(Credit)						
Cox & Kings Tours (L.L.C.)	Investment	3.67	3.67	3.67	3.67	-	-
	Advances Given	2.12	89.95	5.92	2.77	-	-
	Sales	-	52.36	-	-	-	-
	Purchases	8.38	67.85	-	-	-	-
	Interest Received	3.59	2.68	-	-	-	-
	Outstanding Balance Debit	98.73	98.41	8.69	2.77	-	-
	/(Credit)						
Cox & Kings Ltd.	Investment	390.28	390.28	390.28	-	-	-
	Dividend Received	-	-	0.22	-	-	-
	Advances Given	96.24	-	-	-	-	-
	Outstanding Balance Debit	96.24	-	-	-	-	-
	/(Credit)						
Cox & Kings Travel Ltd.	Advances Given	59.33	-	-	-	-	-
	Sales	14.15	219.85	378.71	-	-	-
	Outstanding Balance Debit	185.48	145.38	110.34	-	-	-
	/(Credit)						
Cox & Kings Japan Ltd.	Investment	20.25	20.25	20.25	-	-	-
	Sales	3.24	57.56	68.01	-	-	-
	Outstanding Balance Debit	2.20	2.31	17.34	-	-	-
	/(Credit)						
Tempo Holidays Pty limited	Investment	-	-	-	-	-	-
	Sales	1.81	6.04	-	-	-	-
	Outstanding Balance Debit	6.33	(28.99)	-	-	-	-
	/(Credit)						

Quoprro Global Services Private Limited	Investment	0.10	0.10	-	-	-	-
	Advances Given	13.44	54.35	-	-	-	-
	Interest Received	2.55	4.43	-	-	-	-
	Outstanding Balance Debit / (Credit)	78.25	64.82	-	-	-	-
East India Travel Company Inc	Sales	0.80	-	-	-	-	-
	Outstanding Balance Debit / (Credit)	32.81	-	-	-	-	-
Cox & Kings (Australia) Pty Ltd.	Investment	85.51	85.51	-	-	-	-
	Advances Given	4.41	88.41	20.00	-	-	-
	Interest Received	4.11	4.59	-	-	-	-
	Sales	-	6.04	-	-	-	-
	Outstanding Balance Debit / (Credit)	112.82	108.41	20.00	-	-	-
<b>Joint Venture</b>							
Royal India Rail India Tours Limited	Investment	25.00	25.00	-	-	-	-
	Loans/Advances Given	9.94	45.65	-	-	-	-
	Outstanding Balance Debit / (Credit)	55.59	45.65	-	-	-	-
<b>Key Management Personnel</b>							
Mr. Peter Kerkar	Dividend Paid	-	0.27	0.19	0.65	0.65	Rs. 3209
	Loans/Advances Taken	-	-	-	-	-	20.27
	Outstanding Balance Debit / (Credit)	-	-	-	-	-	(20.67)
Ms. Urrshila Kerkar	Dividend Paid	-	0.46	0.05	0.26	0.26	Rs. 6125
	Salary	4.68	5.58	4.40	0.90	0.90	12.00
	Loans/Advances Taken	-	-	-	-	-	17.77
	Outstanding Balance Debit / (Credit)	-	-	-	-	-	(18.07)
Mr. Arup Sen	Salary	-	0.37	0.88	0.42	0.23	-
<b>Relatives of Key Management Personnel</b>							
Dr. A. B. Kerkar	Dividend	-	-	-	0.07	0.07	Rs. 4900
	Loans/Advances Taken	-	-	-	-	-	46.31
	Outstanding Balance Debit / (Credit)	-	-	-	-	-	(46.31)
Mrs. Elizabetha Kerkar	Dividend	-	0.13	0.11	0.11	0.11	0.01
	Loans/Advances Taken	-	-	-	-	-	7.17
	Outstanding Balance Debit	-	-	-	-	-	(7.17)



	/(Credit)						
<b>Enterprises over which Key Management Personnel and their relatives exercise significant influence</b>							
Far Pavilions Tours and Travels Limited	Interest Received	3.26	11.77	9.24	7.63	4.14	1.07
	Loans/Advances Given	3.82	14.78	11.26	9.72	41.22	1.07
	Outstanding Balance Debit /(Credit)	90.02	86.20	71.42	60.16	50.45	9.23
Good Relations (India) Limited	Loans/Advances Given	-	-	0.03	-	-	-
	Outstanding Balance Debit /(Credit)	-	-	0.11	-	-	-
Ezeego One Travels and Tours Pvt. Ltd.	Interest Received	11.20	23.97	23.70	1.33	-	-
	Purchases	39.77	94.64	98.90	-	-	-
	Sales	5.48	893.55	706.92	-	-	-
	Investment	200.00	200.00	200.00	200.00	-	-
	Loans/Advances Given	62.42	243.97	(64.02)	40.76	44.07	-
	Outstanding Balance Debit /(Credit)	917.32	848.00	558.04	84.84	44.07	-

Note:

The Sales and Purchases are stated on gross basis and includes tours that would commence on future dates. The income of such tours would be recognised in Profit & Loss account in the period in which these tours would be undertaken on net basis, in line with the accounting policy.

#### Annexure VIII

The Company operates only one business segment namely, Tours and Travels in India. Accordingly there are no other business / geographical segments to be reported on.

#### Annexure IX

#### DETAILS OF DIVIDEND PAID BY THE COMPANY

Particulars	Three Months Period ended June 30, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
No. of Equity Shares of Rs.10 each	27,925,260	27,925,260	27,925,260	5,440,000	5,440,000	900,000
Rate of Dividend	-	2%	2%	7%	7%	7%
Amount of Dividend	-	5,585,052	5,585,052	3,808,000	3,808,000	630,000
Dividend Tax	-	949,180	949,180	534,072	534,072	82,333
Total Payout	-	6,534,232	6,534,232	4,342,072	4,342,072	712,333

## Annexure X

## TAX SHELTER STATEMENT

(Rs. In Millions)

		Three month period ended June 30, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
<b>Profit before tax as restated</b>	A	<b>306.44</b>	<b>609.15</b>	<b>487.56</b>	<b>345.65</b>	<b>179.87</b>	<b>123.52</b>
Income Tax rate applicable under Normal Provisions	B	33.99%	33.99%	33.99%	33.66%	33.66%	36.59%
Income Tax rate applicable under MAT provisions	C	16.99%	11.33%	11.33%	11.22%	8.42%	7.84%
<b>Notional Tax at above rate (A x B)</b>	D	<b>104.16</b>	<b>207.05</b>	<b>165.72</b>	<b>116.34</b>	<b>60.55</b>	<b>45.20</b>
<u>Permanent differences</u>							
- Deductions under Chapter VI A of Income Tax Act, 1961(the 'Act')		0.038	0.37	0.86	0.13	0.15	0.12
- Exempt Income		(7.30)	(4.60)	-	-	(0.01)	(0.40)
- Expenses disallowed		0.23	1.42	2.39	0.17	-	1.53
- Income charged at differential rate		-	-	-	-	-	(26.49)
- Others		0.50	2.18	-	-	1.70	-
<b>Total</b>	E	<b>(6.53)</b>	<b>(0.63)</b>	<b>3.25</b>	<b>0.30</b>	<b>1.84</b>	<b>(25.24)</b>
<u>Temporary differences</u>							
- Difference between book depreciation and income tax depreciation		4.15	3.39	(2.47)	(2.76)	3.79	0.70
- Provision for gratuity and leave encashment		(0.94)	9.83	5.10	(2.82)	7.11	7.52
- Disallowances under section 40/43B		(52.96)	52.96	(37.90)	8.42	9.85	(6.61)
- Brought forward losses adjusted		-	-	-	-	-	(55.57)
<b>Total</b>	F	<b>(49.75)</b>	<b>66.18</b>	<b>(35.27)</b>	<b>2.84</b>	<b>20.75</b>	<b>(53.96)</b>
Net Adjustments (E + F)	G	<b>(56.28)</b>	<b>65.55</b>	<b>(32.03)</b>	<b>3.14</b>	<b>22.59</b>	<b>(79.19)</b>
Tax saving thereon (G x B)	H	<b>(19.13)</b>	22.28	(10.89)	1.06	7.60	28.98)
Tax on Income at Differential Rates	I	-	-	-	-	0.52	5.05
<b>Total Taxation Charge (D + H + I)</b>	J	<b>85.03</b>	<b>229.33</b>	<b>154.84</b>	<b>117.40</b>	<b>68.67</b>	<b>21.27</b>
Taxable Income for MAT purpose (as per restated Profit and Loss account)	K	204.27	381.76	320.63	345.65	179.86	123.12
<b>Tax payable under MAT provisions (K x C)</b>	L	<b>34.70</b>	<b>43.25</b>	<b>36.33</b>	<b>38.78</b>	<b>15.14</b>	<b>9.65</b>
<b>Interest</b>	M	<b>0.30</b>	<b>12.65</b>	<b>3.47</b>	<b>6.76</b>	<b>6.05</b>	<b>-</b>
<b>Tax provision for the year (Restated) [(Higher of J or L) , + M]</b>	N	<b>85.33</b>	<b>241.98</b>	<b>158.31</b>	<b>124.17</b>	<b>74.72</b>	<b>21.27</b>

## CAPITALISATION STATEMENT

(Rs. in Millions)

	Pre issue as at June 30, 2009	As adjusted for issue (Refer Note 2)
<b><u>Borrowings</u></b>		
Short Term Debt	1,408.51	
Long Term Debt	976.30	
<b>Shareholders Funds</b>		
Share Capital	279.25	
Reserves and Surplus	1,781.74	
Total Shareholders Funds	2,060.99	
Short Term Debt / Shareholders Funds	0.68 : 1	
Long Term Debt / Shareholders Funds	0.47 : 1	

Notes:

- 1) Debts repayable within one year from 30-6-2009 are considered as short term funds
- 2) Shareholders Fund post issue can be calculated only on the conclusion of book building process

## Annexure XII

## STATEMENT OF SUNDRY DEBTORS, AS RESTATED

(Rs. in Millions)

	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
a) Debts outstanding for a period exceeding six months						
-Unsecured, Considered Good	41.95	47.38	10.40	12.61	12.89	24.19
-Unsecured, Considered Doubtful		-	-	-	-	-
<b>Total</b>	<b>41.95</b>	<b>47.38</b>	<b>10.40</b>	<b>12.61</b>	<b>12.89</b>	<b>24.19</b>
b) Debts outstanding for a period less than six months						
Unsecured, Considered Good						
- Related Parties						
Cox and Kings Travel Ltd #	126.15	145.38	110.34	-	-	-
Cox and Kings Japan Ltd #	2.20	2.31	17.34	-	-	-
Tempo Holidays Pty Ltd. #	6.33	(28.99)	-	-	-	-
East India Travel Company Inc. #	32.81					
Ezeego One Travels and Tours Pvt. Ltd. §	594.68	590.88	583.28			
- Others	823.98	1,092.67	820.82	728.15	432.57	454.52
<b>Total</b>	<b>1,586.15</b>	<b>1,802.25</b>	<b>1,531.78</b>	<b>728.15</b>	<b>432.57</b>	<b>454.52</b>
<b>Total (a) + (b)</b>	<b>1628.09</b>	<b>1,849.63</b>	<b>1,542.19</b>	<b>740.76</b>	<b>445.46</b>	<b>478.71</b>
<b>Grand Total</b>	<b>1628.09</b>	<b>1,849.63</b>	<b>1,542.19</b>	<b>740.76</b>	<b>445.46</b>	<b>478.71</b>

§Enterprises over which Key Management Personnel and their relatives exercise significant influence

#Subsidiary Companies

## Annexure XIII

## STATEMENT OF LOANS AND ADVANCES, AS RESTATED

(Rs. in Millions)

	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
<b>a) Unsecured and Considered Doubtful:</b> Advances Recoverable in Cash or in kind for value to be received		-	-	-	-	-
<b>b) Unsecured and Considered Good:</b>						
Due from related parties						
Tulip Star Hotels Ltd.*	168.61	163.85	133.08	26.85	-	-
Liz Investments Private Limited.*	33.68	32.46	26.12	7.25	3.17	-
CNK Internet PTE Ltd #	23.47	19.27	1.68	0.78	-	-
Cox & Kings Tours (L.L.C.) #	100.75	98.64	8.69	2.77	-	-
Cox & Kings (Australia) Pty Ltd #	112.82	108.41	20.00	-	-	-
Quoprro Global Services Pvt. Ltd. #	78.25	64.82	-	-	-	-
Cox & Kings Limited #	96.24					
Cox & Kings Travel Limited #	59.33					
Far Pavilions Tours and Travels Limited <sup>s</sup>	90.02	86.20	71.42	60.16	50.45	9.23
Ezeego One Travels and Tours Pvt. Ltd. <sup>s</sup>	327.21	264.79	20.82	84.84	44.07	-
Good Relations (India) Ltd. <sup>s</sup>	-	-	0.11	-	-	-
Royale Indian Rail Tours Limited @	55.59	45.65	-	-	-	-
Advances Recoverable in Cash or in kind for value to be received	754.70	774.16	673.02	511.38	674.52	546.23
Share application money	-	-	-	5.30	-	-
Deposits	67.82	70.46	55.21	39.68	37.77	23.27
Advance Income Tax including Fringe Benefit Tax and Tax Deducted at Source	479.85	459.83	375.74	202.93	79.35	30.44
<b>c) Grand Total (a+b)</b>	<b>2,448.34</b>	<b>2,188.54</b>	<b>1,385.91</b>	<b>944.03</b>	<b>889.33</b>	<b>609.17</b>

\*Associate Companies

<sup>s</sup>Enterprises over which Key Management Personnel and their relatives exercise significant influence

# Subsidiary Companies

@ Joint Venture

## STATEMENT OF CONTINGENT LIABILITIES

(Rs. in Millions)

		As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
a.	Guarantees by banks on behalf of the Company	14.12	10.67	7.98	9.11	10.56	4.82
b.	Claims against the Company not acknowledged as debts	174.36	136.98	14.08	35.89	32.09	3.68
c.	Disputed Income Tax demands	131.33	127.68	134.75	35.66	34.94	-
d.	Guarantess given to bank for loan taken by wholly owned subsidiaries companies	1537.60	1,360.76	-	-	-	-
e.	During a financial year 2001, in terms of the specific approval granted to the Company by the Department of Company Affairs under Section 81 of the Companies Act, 1956, the Company issued and allotted 40,000 equity shares to certain employees. One of the shareholders of the Company had filed civil writ petition before the Delhi High Court against the Department of Company Affairs, and made the Company a second respondent, requesting in prayer to review the said approval. The said writ petition is pending before the High Court. The same shareholder had also preferred a Miscellaneous Application before the Hon'ble Delhi High Court challenging the board resolution passed by the Company for allotment of shares by way of rights issue. During the year 2006-07, the said civil writ petition and Miscellaneous Application has been withdrawn						

## Annexure XV

## STATEMENT OF OTHER INCOME, AS RESTATED

(Rs. in Millions)

	Three Months Period ended June 30, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
<b>Recurring in Nature</b>						
Interest on Fixed Deposit with Banks	0.08	1.47	1.59	0.58	0.40	0.68
Profit on Sale of Fixed Assets	0.02	0.10	0.07	-	0.18	1.08
Interest on convertible debentures	13.30	43.47	31.80	20.80	19.80	-
Interest on others	-	-	-	-	-	-
Dividend on Long Term Investments	-	-	-	-	0.01	0.40
Miscellaneous Income	0.17	1.59	2.69	2.32	2.81	1.19
Gain/Loss on Revaluation of Investment in Mutual Fund	0.90	-	-	-	-	-
Exchange Fluctuation Gain (Net)	8.85	16.13	5.87	-	-	4.41
<b>Non Recurring in Nature</b>						
Sundry Credit Balances Written Back	-	-	-	-	-	0.44
Interest on Income Tax Refund	-	-	1.66	-	-	-
Profit on sale of Investments	0.27	-	1.78	-	2.53	26.49
<b>Total</b>	<b>23.58</b>	<b>62.76</b>	<b>45.47</b>	<b>23.71</b>	<b>25.74</b>	<b>34.69</b>

The classification of other income into recurring and non-recurring has been performed by the management of the company based on the current operations and business activities of the company. This classification is accordingly, solely based on the representation given by management

## Annexure XVI

## STATEMENT OF SECURED LOANS, AS RESTATED

(Rs. In Millions)

		As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	Interest Rate	Repayment Schedule
a.	Bank Overdraft	143.21	243.18	167.54	-	163.31	150.08	13%	
b.	Term Loans from Banks	1046.89	575.20	334.81	272.07	294.15	173.35	12% to 14%	Rs.218.97 mn payable in year 2009-10, Rs.260.15 mn payable in year 2010-11, Rs.236.37 mn payable in year 2011-12, Rs.206.07 mn payable in year 2012-13, Rs.100.34 mn payable in year 2013-14, Rs.25 mn payable in year 2014-15
c.	Term Loans from Others	7.47	7.95	-	-	-	-	12% to 14%	Rs.1.54 mn payable in year 2009-10, Rs. 2.28 mn payable in year 2010-11, Rs. 2.53 mn payable in year 2011-12, Rs. 0.90 mn payable in year 2012-13, Rs. 0.22 mn payable in year 2013-14,
	<b>Total</b>	1,197.57	826.33	502.35	272.07	457.46	323.43		

## i Bank Overdraft

## a) As at 31-3-2005 to 31-3-2007:

is secured against Hypothecation of Book Debts of the Company of not over 90 days old and all moveable assets excluding Tourist cars.

## b) As at 31-3-2008 to 31-3-2009:

is secured against Execution of Demand Promissory Note, Hypothecation Company's movable and immovable assets, Shares of Group Company, Personal Guarantee of a Director

## ii Term Loan from banks:

## a) As at 31-3-2005

To the extent of Rs.8.36 millions, is secured against Execution of Demand Promissory Note, hypothecation of a Company's Flat, Shares of Group Company, Irrevocable Personal Guarantee of a Director and Guarantee of an Associate Company; to the extent of Rs.135.27 millions is secured against all present and future receivables and personal guarantee of a Director; to the extent of Rs..21.32 millions is secured against all present and future receivables and hypothecation of Company's Flats/ Land; to the extent of Rs.8.40 millions is secured against vehicles purchased.



b) As at 31-3-2006

To the extent of Rs.170.94 millions, is secured against Execution of Demand Promissory Note, Hypothecation of a Company's Flat, Shares of Group Company, Irrevocable Personal Guarantee of a Director; to the extent of Rs.116.29 millions is secured against credit card receivables and second charge against the current assets of the company, present and future.; to the extent of Rs.6.91 millions is secured against vehicles purchased.

c) As at 31-3-2007

To the extent of Rs.133.99 millions is secured against Execution of Demand Promissory Note, Hypothecation Company's movable and immovable assets, Shares of Group Company, Personal Guarantee of a Director; to the extent of Rs.132.32 millions is secured against credit card receivables, second charge against the current assets of the company, present and future and Personal Guarantee of a Director; to the extent of Rs.5.76 millions is secured against respective vehicles purchased.

d) As at 31-3-2008

To the extent of Rs.98.86 millions is secured against Execution of Demand Promissory Note, Hypothecation Company's movable and immovable assets, Shares of Group Company, Personal Guarantee of a Director; to the extent of Rs.196.67 millions is secured against credit card receivables; second charge on the current assets of the company, present and future and Personal Guarantee of a Director; to the extent of Rs. 32.96 millions against second charge on current assets of the company, present and future and Personal Guarantee of the Director; to the extent of Rs.6.33 millions is secured against respective vehicles purchased.

e) As at 31-3-2009

To the extent of Rs.60.39 millions is secured against Execution of Demand Promissory Note, Hypothecation Company's movable and immovable assets, Shares of Group Company, Personal Guarantee of a Director; to the extent of Rs.500.00 millions is secured against credit card receivables; second charge on the current assets of the company, present and future and Personal Guarantee of a Director; to the extent of Rs.14.81 millions is secured against respective vehicles purchased.

f) As at 30-6-2009

To the extent of Rs.51.19 millions is secured against Execution of Demand Promissory Note, Hypothecation Company's movable and immovable assets, Shares of Group Company, Personal Guarantee of a Director; to the extent of Rs.982.28 millions is secured against credit card receivables; second charge on the current assets of the company, present and future and Personal Guarantee of a Director; to the extent of Rs.13.43 millions is secured against respective vehicles purchased.

iii Term Loan from others:

As at 31-3-2009 to 30-6-2009

is secured against respective vehicles purchased.

## Annexure XVII

## STATEMENT OF UNSECURED LOANS, AS RESTATED

(Rs. In Millions)

	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	Interest Rate	Repayment Schedule
Inter-Corporate Deposits	7.24	20.20	13.00	50.00	185.90	105.20	18%	Payable from April 2009 to July 2009
Non Convertible Debentures	1,180.00	800.00	600.00	250.00	-	-	10.25% to 11%	Payable by January 2010
Short Term Loans from Banks		200.00	100.00	-	-	20.97	14.50%	Repaid in May 2009
Short Term Loan from Directors / Shareholders								Repaid
- Promoters		-	-	-	-	106.47		
- Non Promoters		-	-	-	-	54.58		
<b>Total</b>	<b>1,187.24</b>	<b>1,020.20</b>	<b>713.00</b>	<b>300.00</b>	<b>185.90</b>	<b>287.22</b>		

## Annexure XVIII

## STATEMENT OF INVESTMENTS

(Rs. in Millions)

	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
<b>Long Term-At Cost, Unless Otherwise Stated</b>						
<b>Trade</b>						
<b>In Government Securities:</b>						
<b>Unquoted :</b>						
National Savings Certificate( Lodged as Security with Customs and Central Telegraph office)	-	-	-	-	-	Rs.200
<b>In Subsidiary Companies</b>						
Clearmine Limited	163.39	163.39	163.39	163.39	161.59	-
1500 Equity shares of Sterling pound 1/- each fully paid up						-
CNK Internet Pte Limited	2.88	2.88	2.88	2.88	-	-
100000 Equity shares of SGD 1/- each fully paid up						-
Cox and KingsTours LLC	3.67	3.67	3.67	3.67	-	-
300Equity shares of AED 1000/- each fully paid up						-
Cox & Kings Ltd	390.28	390.28	390.28	-	-	-
1,427,875 (previous year 1,427,875) Equity shares of Sterling pound 1/- each fully paid up						-
Cox & Kings Japan Ltd	20.25	20.25	20.25	-	-	-
247 (previous year 247) Equity shares of Yen 50,000 each fully paid up						-
Cox & Kings Australia Ltd	85.51	85.51	-	-	-	-
1000 (previous year NIL) Equity shares of AUD 1 each fully paid up						-
Quoprro Global Services Private Limited	0.10	0.10	-	-	-	-
10,000 shares (Previous year NIL) at Rs. 10 each						-
<b>In Others</b>						
Good Relations (India) Limited	-	-	-	-	-	0.10
Nil Equity Shares (Earlier years 780,780) of Rs. 10/- each fully paid up						
North Canara Bank	-	-	-	-	-	0.10
Nil Equity Shares (Earlier years 10,002) of Rs 10/- each						
Radius the Global Travel Company	5.92	5.92	5.92	0.61	0.61	0.61
30 Shares (Previous year 30) of Class B Common Voting shares , fully paid up						
10 Shares (Previous year 10) of Class A Common Non-Voting Shares, fully paid up						
Greater Bombay Co-Op Bank Limited	0.00 *	0.00 *	0.00 *	0.00 *	0.00 *	0.00 *
40 Equity shares at Rs.25 each						
Ezeego One Travels and Tours Private Limited:	100.00	100.00	100.00	100.00	-	-
9000 Equity Share of Rs 10/- Each fully paid up						
Royale India Rail Tours Limited	25.00	25.00	-	-	-	-
2,500,000 (Previous year NIL) Equity Share of Rs.10/- Each fully Paid up						

<b>Quoted:</b>						
Tulip Star Hotels Limited 1,402,500 Equity Shares of Rs 10/- each fully paid up ( These shares are pledged with Bank)	14.03	14.03	14.03	14.03	14.03	14.03
<b>Non-Trade - Unquoted:</b>						
Business India Publication Limited 45000 Equity Shares of Rs 10/- each fully paid up	2.48	2.48	2.48	2.48	2.48	-
<b>CURRENT INVESTMENTS</b>						
<b>Others - Unquoted:</b>						
Ezeego One Travels and Tours Private Limited 100,000 - 12% Fully Convertible Debentures of Rs 1000/- Each fully paid up	100.00	100.00	100.00	100.00	-	-
V Hotels Ltd. 1,800,000 - 11% Convertible Debentures of Rs 100/- each* Zero Coupon for FY 2004-05	180.00	180.00	180.00	180.00	180.00	180.00
LIC Mutual Fund 4,555,521.83 units of Rs 10 each fully paid up	2.08	1.39	2.21	50.01	-	-
Kotak Indo World Infrastructure Fund - Growth Plan 100,000 units of Rs. 10 each fully paid up	0.62	0.41	0.79	-	-	-
<b>Total</b>	<b>1,096.20</b>	<b>1,095.30</b>	<b>985.88</b>	<b>617.07</b>	<b>358.70</b>	<b>194.84</b>

\* Amount of Rs 1,000/-

**October 26, 2009**

To,  
Board of Directors,  
Cox and Kings (India) Limited,  
Turner Morrison Building,  
1st Floor, 16 Bank Street, Fort,  
Mumbai- 400 001

Dear Sirs,

We have examined the consolidated financial information of Cox and Kings (India) Limited (the “**Company**”) and its subsidiaries consisting of Clearmine Ltd., ETN Services Ltd., CNK Intranet PTE Ltd., Cox & Kings Tours (L.L.C.), Cox & Kings Ltd., Cox & Kings Travel Ltd., Cox & Kings Japan Ltd., Cox & Kings Shipping Ltd., Cox & Kings Special Interest Holidays Ltd., Cox & Kings Tours Ltd., Cox & Kings Enterprises Ltd., Cox & Kings Holdings Ltd., Cox & Kings Investments Ltd., Cox & Kings Finance Ltd., Cox & Kings (Mauritius) Ltd., Grand Tours Ltd., C&K Investments Ltd., Cox & Kings (Agents) Limited, East India Travel Company Inc., Quoprro Global Services PTE Ltd., Cox and Kings (Australia) Pty Ltd., Tempo Holidays Pty Ltd., Tempo Holidays NZ Ltd and Quoprro Global Services Pvt. Ltd. (collectively referred to as the “**Group**”) as attached to this report and initialed by us for identification.

The said financial information has been prepared in accordance with the requirements of paragraph B, Part II of Schedule II of the Companies Act, 1956 (the “**Act**”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “**SEBI Regulations**”) and the related clarifications issued by the Securities and Exchange Board of India (“**SEBI**”) as amended to date, and in terms of our engagement letter dated August 10, 2009, in connection with the Offer Document being issued by the Company in connection with the proposed Initial Public Offer of equity shares. The financial information has been prepared by the Company and approved by the Board of Directors of the Company.

We have examined:

- a) the attached “Consolidated Statement of Profit and Losses, as Restated” of the Group for the year ended March 31, 2005, March 31, 2006, March 31, 2007, March 31, 2008, March 31, 2009 and Three months period ended June 30, 2009 enclosed in Annexure XIX;
- b) the attached “Consolidated Statement of Assets and Liabilities, as Restated” as on those dates enclosed in Annexure XX; and
- c) the attached ‘Consolidated Cash Flows Statement, as Restated’ in respect of year ended March 31, 2005, March 31, 2006, March 31, 2007, March 31, 2008, March 31, 2009 and Three months period ended June 30, 2009 enclosed in Annexure XXI together referred to as “Consolidated Summary Statements” to this report.

The Consolidated Summary Statements have been extracted by the Management from:

- a) the audited standalone financial statements of the company for the respective years approved by the Board of Directors;
- b) the audited standalone financial statements of its subsidiaries enlisted in the Group for the respective years approved by the Board of Directors; and
- c) the cashflow statement of subsidiary companies for the year ended March 31, 2006, and year ended March 31, 2007 have been extracted by the management from the audited accounts for the respective years and reviewed by us; and

- d) such other information extracted from audited books of accounts and reviewed by us to prepare Consolidated Financial Statements in accordance with the requirements of Accounting Standard (AS-21) - Consolidated Financial Statements notified by the Companies (Accounting Standard) Rules, 2006.

We did not audit the standalone financial statements of the company for the year ended March 31, 2005 and March 31, 2006. We also did not audit the financial statements of all the subsidiary companies for the financial year ended March 31, 2006, March 31, 2007, March 31, 2008, March 31, 2009 and Three months period ended June 30, 2009. These standalone financial statements approved by Board of Directors of the respective companies are audited and reported by other auditors and have been accepted by us in so far as it relates to the amounts included in the Consolidated Summary Statements.

Based on our examination of these Consolidated Summary Statements, we state:

- The restated profits of the group have been arrived at after making such adjustments and regrouping as set out in Annexure XXIII which in our opinion are appropriate in the years to which they relate.
- The qualifications in the Auditor's Report that are quantifiable and that require any adjustment to the summary statements has been appropriately adjusted as set out in Annexure V.
- The extra-ordinary items that need to be disclosed separately in the summary statements has been appropriately disclosed.

In our opinion the Consolidated Summary Statements of the Group, attached to this report, read with respective significant accounting policies and notes as given in Annexure XXII and Annexure XXIII to this report, and after making adjustments and regrouping as considered appropriate, has been prepared in accordance with Part II of Schedule II of the Act and the Regulations issued by SEBI.

This report is intended solely for your information and for inclusion in the Offer Document in connection with proposed Public Issue of Equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner  
Membership No. 103141

## CONSOLIDATED STATEMENT OF PROFIT &amp; LOSS, AS RESTATED

(Rs. in Millions)

	Three Months ended June 30, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
<b>Income</b>						
Commission and Operating Income	996.06	2,869.00	1,821.38	969.51	631.79	420.49
Other Income	162.71	66.61	61.69	24.68	25.74	34.69
<b>Total</b>	<b>1,158.77</b>	<b>2,935.61</b>	<b>1,883.07</b>	<b>994.19</b>	<b>657.53</b>	<b>455.18</b>
<b>Expenditure</b>						
Personnel Expenses	220.72	790.58	505.70	209.15	150.84	80.96
Other Expenses	302.61	864.73	585.58	358.75	278.17	170.14
Interest and finance charges	66.46	201.33	59.11	51.67	30.77	66.36
Depreciation	30.13	95.69	63.74	34.06	18.06	14.22
<b>Total</b>	<b>619.92</b>	<b>1,952.34</b>	<b>1,214.13</b>	<b>653.63</b>	<b>477.82</b>	<b>331.66</b>
<b>Net Profit/(Loss) before Tax and extra ordinary items</b>	<b>538.86</b>	<b>983.28</b>	<b>668.94</b>	<b>340.57</b>	<b>179.71</b>	<b>123.52</b>
<b>Taxation</b>						
Current Tax	114.41	353.93	199.30	124.65	74.63	21.27
Deferred Tax	16.84	(13.20)	10.36	0.68	(8.73)	(4.17)
Fringe Benefit Tax	-	8.14	7.80	5.20	6.22	-
<b>Net Profit/(Loss) after Tax before extraordinary items</b>	<b>407.60</b>	<b>634.41</b>	<b>451.48</b>	<b>210.04</b>	<b>107.59</b>	<b>106.42</b>
Extra-ordinary items (net of tax) (Receipt on relinquishment of Tenancy Rights)	-	-	-	-	65.72	-
<b>Net Profit after Tax and Extra-ordinary items</b>	<b>407.60</b>	<b>634.41</b>	<b>451.48</b>	<b>210.04</b>	<b>173.31</b>	<b>106.42</b>
Add/(less): Share in Profit/(loss) of associate	(1.80)	(6.31)	(25.40)	87.30	0.46	(5.29)
<b>Net Profit for the year</b>	<b>405.80</b>	<b>628.10</b>	<b>426.08</b>	<b>297.34</b>	<b>173.76</b>	<b>101.14</b>
<b>Balance brought forward</b>	<b>1,577.64</b>	<b>956.07</b>	<b>538.67</b>	<b>245.68</b>	<b>76.26</b>	<b>(39.30)</b>
Less:						
Additional charge on adoption of AS-15(R)	-	-	2.15	-	-	-
Proposed Dividend	-	5.59	5.59	3.81	3.81	0.63
Tax on dividend	-	0.95	0.95	0.53	0.53	0.08
Add:						
Reduction in Loss of Associates on dilution	-	-	-	-	-	15.13
<b>Balance carried to Balance Sheet</b>	<b>1,983.44</b>	<b>1,577.64</b>	<b>956.07</b>	<b>538.67</b>	<b>245.68</b>	<b>76.26</b>

The above statement should be read with significant accounting policies and notes appearing in Annexure XXII and XXIII.

## CONSOLIDATED STATEMENT OF ASSETS &amp; LIABILITIES, AS RESTATED

(Rs. in Millions)

	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
<b>A. Fixed Assets</b>						
Gross Block	1,300.20	1,173.38	852.00	288.36	199.49	157.64
Less: Depreciation	535.68	458.73	323.08	143.73	108.58	94.70
Net Block	764.53	714.64	528.93	144.63	90.90	62.95
Add: Capital WIP/Capital Advances	124.79	103.24	25.38	5.68	45.70	24.83
	<b>889.32</b>	<b>817.88</b>	<b>554.31</b>	<b>150.31</b>	<b>136.60</b>	<b>87.78</b>
<b>B. Goodwill on consolidation</b>	2,253.92	1,110.23	101.69	96.43	100.50	-
<b>C. Deferred Tax Asset</b>	<b>29.48</b>	<b>39.40</b>	<b>14.95</b>	<b>12.28</b>	<b>12.91</b>	<b>4.18</b>
<b>D. Investment</b>	<b>456.14</b>	<b>456.99</b>	<b>464.55</b>	<b>530.70</b>	<b>193.39</b>	<b>190.66</b>
<b>E. Current Assets, Loans and Advances</b>						
Inventories	46.87	35.27	40.53	18.95	11.44	12.41
Sundry Debtors	2,289.85	2,321.63	1,786.82	765.29	473.28	478.71
Cash and Bank	1,124.50	633.82	560.58	192.21	324.61	261.31
Loans and Advances	2,537.63	3,081.19	1,744.68	989.14	895.04	609.17
	<b>5,998.85</b>	<b>6,071.91</b>	<b>4,132.62</b>	<b>1,965.59</b>	<b>1,704.37</b>	<b>1,361.60</b>
<b>Total Assets</b>	<b>9,627.72</b>	<b>8,496.40</b>	<b>5,268.11</b>	<b>2,755.31</b>	<b>2,147.78</b>	<b>1,644.22</b>
<b>F. Liabilities and Provisions</b>						
Secured Loans	2,991.93	2,363.47	502.35	272.07	457.46	323.42
Unsecured Loans	1,329.19	1,178.03	793.97	300.00	185.90	287.23
Current Liabilities	1,572.63	1,835.57	1,795.54	1,076.57	804.63	853.36
Provisions	942.16	817.96	486.47	277.15	163.26	40.96
	<b>6,835.91</b>	<b>6,195.02</b>	<b>3,578.32</b>	<b>1,925.79</b>	<b>1,611.25</b>	<b>1,504.97</b>
<b>G. Deferred Tax Liability (Net)</b>	22.21	21.64	30.48	0.99	0.86	-
<b>H. Networth</b>	<b>2,769.60</b>	<b>2,279.74</b>	<b>1,659.31</b>	<b>828.52</b>	<b>535.67</b>	<b>139.25</b>
<b>Represented by</b>						
1. Share Capital (Equity paid-up capital)	279.25	279.25	279.25	54.40	54.40	9.00
2. Reserves and Surplus	2,490.35	2,000.49	1,380.05	774.12	481.27	130.25
2.1. Capital Reserve	1.75	1.75	1.75	1.75	1.75	1.75
2.2. Security premium account	405.47	405.47	405.47	211.00	211.00	29.40
2.3. General Reserve	17.22	17.22	17.22	17.22	17.22	17.22
2.4. Revaluation Reserve	36.16	33.37	-	-	-	-
2.5. Foreign Currency Earnings Reserve	5.62	5.62	5.62	5.62	5.62	5.62
2.6. Foreign Exchange Translation Reserve	40.69	(40.58)	(6.08)	(0.14)	-	-
2.7. Profit & Loss account balance	1,983.44	1,577.64	956.07	538.67	245.68	76.26

The above statement should be read with significant accounting policies and notes appearing in Annexure XXII and XXIII



## CONSOLIDATED CASH FLOW STATEMENT, AS RESTATED

Rs. in millions

	Three months ended June 30, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
<b>Cash flow from operating activities:</b>						
Net Profit before taxation and extra-ordinary item	538.86	982.84	668.94	340.57	179.71	123.52
Add: Extra-Ordinary items	-	-	-	-	84.85	-
	<b>538.86</b>	<b>982.84</b>	<b>668.94</b>	<b>340.57</b>	<b>264.56</b>	<b>123.52</b>
Adjustments for:						
- Depreciation	30.13	95.69	63.74	34.06	18.06	14.22
- Dividend Income	-	-	-	-	(0.01)	(0.40)
- Interest Expense	66.46	201.33	59.11	51.67	28.85	39.85
- Interest income	(15.26)	(55.97)	(35.66)	(22.29)	(20.20)	(1.76)
- (Profit)/Loss on sale of investments (net)	(0.27)	-	(1.78)	-	(2.53)	(26.49)
- (Profit)/Loss on sale of fixed assets (net)	0.23	1.12	6.82	0.17	4.23	1.53
- Revaluation of Mutual Fund	(0.90)	1.20	0.50	-	-	-
- Bad debts written off/provision for bad and doubtful debts	-	12.87	1.57	7.15	5.32	27.12
- Exchange difference on translation of foreign subsidiaries	(79.17)	(17.59)	(10.81)	7.23	-	-
Operating Profit before working capital change	<b>540.07</b>	<b>1,221.49</b>	<b>752.42</b>	<b>418.55</b>	<b>298.27</b>	<b>177.58</b>
(Increase) / Decrease in Trade Receivables	31.77	(528.36)	(768.99)	(318.71)	24.84	(177.32)
(Increase) / Decrease in Loans and advances	769.81	(1,142.32)	(241.79)	42.51	(215.89)	(79.32)
(Increase) / Decrease in Inventories	(11.59)	5.26	(21.59)	(7.50)	0.97	(5.89)
Increase / (Decrease) in Current liabilities	(408.04)	(350.81)	292.21	226.32	(44.33)	331.61
Cash generated from / (used in) from operations	<b>922.02</b>	<b>(794.74)</b>	<b>12.26</b>	<b>361.17</b>	<b>63.86</b>	<b>246.66</b>
Income tax / Fringe Benefit tax paid	(17.07)	(163.57)	(151.64)	(136.70)	(48.79)	(23.21)
Net Cash generated from / (used in) operating activities	<b>904.95</b>	<b>(958.31)</b>	<b>(139.38)</b>	<b>224.46</b>	<b>15.07</b>	<b>223.45</b>
<b>Cash flow from investing activities:</b>						
Payment towards Purchase of Fixed Assets and Capital Work in Progress	(29.25)	(290.50)	(176.88)	(49.25)	(65.99)	(31.79)
Proceeds from Sale of Fixed Assets	0.01	5.45	11.85	0.12	0.72	0.74
Interest Received	15.26	55.97	35.66	5.71	4.85	0.70
Purchase of Investments	(1,415.62)	(1,155.09)	(168.80)	(251.94)	(164.07)	(180.10)
Dividend Received	-	-	-	-	0.01	0.40
Proceeds from Sale of Investments	290.27	-	211.79	-	2.73	28.50
Net Cash generated from / (used in) investing	<b>(1,139.33)</b>	<b>(1,384.17)</b>	<b>(86.38)</b>	<b>(295.36)</b>	<b>(221.74)</b>	<b>(181.56)</b>

activities						
<b>Cash flow from financing activities:</b>						
Increase/(decrease) in borrowings (Net)	779.62	2,245.18	435.38	(71.30)	32.71	154.97
Proceeds from issue of share capital	-	-	20.00	-	227.00	-
Dividend Paid	-	(6.53)	(4.34)	(7.48)	(0.71)	(0.20)
Interest paid	(66.46)	(201.33)	(59.11)	(51.67)	(28.85)	(42.07)
Expenses on Issue of Securities	-	-	(9.55)	-	-	-
Expenses for Increase in Authorised capital	-	-	(1.65)	-	-	-
<b>Net Cash generated from / (used in) financing activities</b>	<b>713.16</b>	<b>2,037.31</b>	<b>380.73</b>	<b>(130.45)</b>	<b>230.15</b>	<b>112.70</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>478.79</b>	<b>(305.16)</b>	<b>154.97</b>	<b>(201.35)</b>	<b>23.48</b>	<b>154.60</b>
Cash and cash equivalents at the beginning of the period /year	618.68	480.81	94.22	295.57	213.88	59.29
Add: on addition of subsidiary	23.47	443.04	231.61	-	58.21	-
<b>Cash and cash equivalents at the end of the year</b>	<b>1,120.94</b>	<b>618.68</b>	<b>480.81</b>	<b>94.22</b>	<b>295.57</b>	<b>213.88</b>

## NOTES ON ACCOUNTS FOR THE CONSOLIDATED SUMMARY STATEMENTS, AS RESTATED

## 1. Basis of consolidation

- a. The Consolidated Statement of Profit and Losses, as restated, Consolidated Statement of Assets and Liabilities, as restated and Consolidated Cashflow Statement, as restated (together referred to as Consolidated Summary Statements) comprises financial statements of Cox and Kings (India) Limited, its subsidiaries and the company's interest in joint ventures, drawn for the years from 2005 to Three months period ended June 30, 2009. These Consolidated Summary Statements have been extracted from the audited financial statements of the company and its subsidiaries after making adjustments in accordance with the requirements of Accounting Standard (AS-21) - Consolidated Financial Statements and Accounting Standard (AS-23) – Accounting for Investments in Associates in Consolidated Financial Statements notified by Companies (Accounting Standards) Rules, 2006.
- b. Subsidiary companies considered in these Consolidated Summary Statements are:

Name of the company	Country of incorporation	Effective date of control / acquisition	Ownership Interest %	Statutory Auditors
Clearmine Limited	UK	March 30, 2006	100%	Raffingers Stuart
ETN Services Limited (wholly owned subsidiary of Clearmine Limited)	UK	March 30, 2006	100%	Raffingers Stuart
CNK Intranet Pte Limited	Singapore	May 15, 2006	100%	S J Chung & Co.
Cox & Kings Tours LLC	UAE	February 7, 2007	100%	Numerica Chartered Accountants
Cox & Kings Ltd.	UK	September 1, 2007	100%	Raffingers Stuart
Cox & Kings Travel Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	Raffingers Stuart
Cox & Kings Japan Ltd.*	Japan	September 1, 2007	100%	Aoki Terumitsu
Cox & Kings Shipping Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	Audit not required u/s 294B(2) of the Companies Act 1985 of UK
Cox & Kings Special Interest Holidays Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	Audit not required u/s 294B(2) of the Companies Act 1985 of UK
Cox & Kings Tours Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	Audit not required u/s 294B(2) of the Companies Act 1985 of UK
Cox & Kings Enterprises Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	Audit not required u/s 294B(2) of the Companies Act 1985 of UK
Cox & Kings Holdings Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	Audit not required u/s 294B(2) of the Companies Act 1985 of UK
Cox & Kings Investments Ltd. (wholly owned subsidiary of Cox	UK	September 1, 2007	100%	Audit not required u/s 294B(2) of the Companies

and Kings Ltd.)				Act 1985 of UK
Cox & Kings Finance Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	Audit not required u/s 294B(2) of the Companies Act 1985 of UK
Cox & Kings (Mauritius) Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	Mauritius	September 1, 2007	100%	BDO De Chazal Du Mee
Grand Tours Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	Audit not required u/s 294B(2) of the Companies Act 1985 of UK
C& K Investments Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	Audit not required u/s 294B(2) of the Companies Act 1985 of UK
Cox & Kings (Agents) Limited (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	Audit not required u/s 294B(2) of the Companies Act 1985 of UK
East India Travel Company Inc. (wholly owned subsidiary of Cox and Kings Ltd.)	USA	April 8, 2009	100%	Dwarka P Kalantry
Quoprro Global Services Pte Ltd (wholly owned subsidiary of CNK Intranet Pte Ltd)	Singapore	October 1, 2008	100%	S J Chung & Co.
Cox and Kings (Australia) Pty Ltd. (wholly owned subsidiary of Cox and Kings (India) Limited)	Australia	February 25, 2008	100%	WHK Horwath Melbourne
Tempo Holidays Pty Ltd (wholly owned subsidiary of Cox and Kings (Australia) Pty Ltd.)	Australia	November 5, 2008	100%	WHK Horwath Melbourne
Tempo Holidays NZ Ltd (wholly owned subsidiary of Cox and Kings (Australia) Pty Ltd.)	New Zealand	December 19, 2008	100%	JSA Audit
Quoprro Global Services Pvt. Ltd.	India	October 1, 2008	100%	N T Jain & Co.
*41.17 % held by Cox and Kings (India) Ltd. , 33.33 % held by Cox & Kings Travel Ltd. & 25.5 % held by Cox & Kings Tours LLC				

Results of subsidiaries acquired during the period are included in the restated consolidated financial statements from the effective dates of acquisition.

- c. Associate companies considered in the Consolidated Summary Statements are:

Name of the company	Country of incorporation	Ownership Interest (%)
Tulip Star Hotel Limited	India	30.42%
Bolshoi Express Limited	UK	50%

- d. Joint Venture company considered in the Consolidated Summary Statements is:

Name of the company	Country of incorporation	Ownership Interest %
Royale Indian Rail Tours Limited	India	50%

- e. **Principles of consolidation**

- The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with

Accounting Standard (AS) 21 - "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006

- In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the period. All assets and liabilities are converted at rates prevailing at the end of the period. Any exchange difference arising on consolidation is recognised in the foreign exchange translation reserve.
- The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- In case of associates where the company directly or indirectly through subsidiaries holds more than 20% of equity, Investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for investments in associates in consolidated financial statements" notified by Companies (Accounting Standards) Rules, 2006

The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates' profit and loss account and through its reserves for the balance, based on available information.

The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

- In case of joint venture companies (JVC's), the consolidated financial statements include the interest of the company in JVC's, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is considered as separate line items in the Consolidated Financial Statements.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- Investments other than in subsidiaries, associates and joint ventures have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".

## **2. Other significant accounting policies**

### **a. Basis of accounting:**

The financial statements of the parent company are prepared as per historical cost convention as modified by revaluation of certain assets on accrual basis and comply with the provisions of the Indian Companies Act, 1956, the generally accepted accounting principles in India and the applicable accounting standards issued by the Institute of Chartered Accountants of India. The financial statements of the United Kingdom based subsidiaries are prepared in accordance with the UK financial reporting standards, UAE based subsidiary company are prepared in accordance with International Financial Reporting Standards, Singapore based subsidiaries are prepared in accordance with the Singapore Financial Reporting Standards and Australia based subsidiaries are prepared in accordance with the Australia Financial Reporting Standards.

There is no material adjustments required to be made in the financial statements of overseas subsidiaries to bring them in line with the Indian GAAP.

b. Use of estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of the assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

c. Turnover:

In line with generally accepted accounting practices, turnover comprises of net commissions earned on travel management, service agency charges including margins in respect of tour and tour related services and commissions/margins earned on foreign exchange transactions in the normal course of the business as Authorised Dealer and Franchisee Signup Fees. The income arising from the buying and selling of foreign currencies has been included on the basis of margins achieved.

d. Revenue Recognition:

In accordance with the Group's accounting policy followed consistently, commissions/income arising from tours and related services is accounted after netting off all direct expenditures relating thereto. Income from buying and selling of foreign currencies is accounted on net basis as stated in (c) above.

e. Expenditure:

All general business expenditure is accounted in the year in which it is incurred. All direct tour related expenses including advertisement expenses for specific tour are accounted in the year in which the tours are undertaken.

f. Fixed Assets:

Fixed Assets are stated at cost, less accumulated depreciation. Costs include all costs relating to acquisition and installation of fixed assets. Intangible assets represent "customer data base and contacts", stated at the valued amount and Software stated at cost.

g. Depreciation:

In case of parent company, depreciation on fixed assets is provided on the written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Intangible assets are amortised over a period of five to ten years, being the expected period of use. The leasehold land and leasehold improvements are depreciated over the lease period.

In case of ETN Services Limited, the depreciation is provided on following rates on written down value method.

Plant and Machinery - 25%

In case of Cox & Kings Tours LLC, depreciation is provided on plant and machinery using written down value method @ 33.33%

In case of Cox and Kings Limited & Cox and Kings, Japan, the depreciation is provided on following rates on written down value method.

Freehold and short leasehold property	-	15%
Plant and machinery	-	15%
Computer equipment	-	15%
Motor vehicles	-	25%

In case of Cox and Kings (Australia) Pty Ltd, the depreciation is provided on following rates on Straight line method.

Furniture, Fixtures and Fittings	-	20%
Office Equipment	-	20%
Computer equipment	-	40%

In case of CNK Intranet PTE Ltd., the depreciation is provided on following rates on Straight line method.

Furniture, Fixtures and Fittings	-	20%
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In case of Quoprro Global Services PTE Ltd., the depreciation is provided on following rates on Straight line method.

Office Equipment	-	33.33%
Renovations (Leasehold Improvements)-	-	20%

h. Investments:

Long-term investments are valued at cost. Provision for diminution in value of investments is made, if the diminution is of a nature other than temporary. Current investments are valued at the lower of cost and market value.

i. Inventory:

Inventory represents stock of foreign currencies, which have been valued at lower of cost and realisable value as at the year-end.

j. Provision for leave encashment and gratuity:

Provisions for leave encashment on retirement/separation and gratuity are accounted for based on the valuation, as at the year-end, done by independent actuaries.

k. Foreign Currency Transactions:

- a. Transactions denominated in foreign currencies are recorded at spot rates / average rates.
- b. Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- c. Non monetary foreign currency items are carried at cost.
- d. In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate on the date of transaction. Branch monetary assets and liabilities are restated at the year end rates.
- e. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.

l. Accounting for taxes on Income:

Provision for current tax is made, based on the tax payable under the relevant statute.

Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty of its realisation.

m. Provision, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**3. Notes to Consolidated Summary Statements, as restated**

- b. As at June 30, 2009 and March 31, 2009, issued equity shares consists of 11,39,815 (98,500 – for periods prior to March 31, 2008) Equity Shares of Rs.10/- each issued pursuant to a contract without payment being received in cash.

As at June 30, 2009 and March 31, 2009, 19,443,945 equity shares of Rs.10/- each were issued as bonus shares by capitalisation of reserves.

- c. Material differences in accounting policies of the company and its subsidiaries are as under : -

Item	Particulars	Three Months ended June 30, 2009 Rs. in millions	Proportion to the item
Depreciation	Cox and Kings (Australia) Pty Ltd. along with its subsidiaries have charged depreciation on SLM method against WDV method followed by parent company.	2.00	7.00%

- d. During the financial year 2008-09, Cox & Kings Ltd. has done a revaluation of its fixed assets which has valued on the basis of open market value by external valuers and a sum of Rs. 68.29 millions has been added to the gross block and a corresponding revaluation reserve has been created.
- e. In the opinion of the Board of Directors, the current assets and loans & advances have a value on realisation in ordinary course of business at least equal to the amount at which they are stated.
- f. In the year 2005-06, exceptional receipt represents relinquishment by the parent company of its tenancy rights in respect of an immovable property for an agreed amount of Rs 84.85 millions
- g. Unsecured loan to the extent of Rs 118 Crores is secured by personal guarantee of a director
- h. Break up of Deferred Tax liability is as under.

(Rs. In Millions)

	Three months Period ended June 30, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005



<b>Deferred Tax Asset</b>						
Depreciation	0.33	-	-	-	0.28	-
Provision for Gratuity/leave encashment	29.14	21.41	14.95	6.57	7.52	6.19
Disallowances u/s 43B/40(a)	-	18.00	-	7.69	5.11	0.00
<b>Total</b>	<b>29.48</b>	<b>39.41</b>	<b>14.95</b>	<b>14.25</b>	<b>12.91</b>	<b>6.19</b>
<b>Deferred Tax Liabilities</b>						
Depreciation	22.21	21.64	30.48	2.96	0.86	2.00
<b>Net Deferred Tax Assets</b>	<b>7.27</b>	<b>17.77</b>	<b>(15.53)</b>	<b>11.29</b>	<b>12.05</b>	<b>4.18</b>

i. Particulars of earnings per share:

(Rs. In Millions)

	<b>Three Months period ended June 30, 2009</b>	<b>Year ended March 31, 2009</b>	<b>Year ended March 31, 2008</b>	<b>Year ended March 31, 2007</b>	<b>Year ended March 31, 2006</b>	<b>Year ended March 31, 2005</b>
Net Profit/(Loss) after tax before extra-ordinary items	405.80	628.10	426.08	297.34	108.05	101.14
Net Profit/(Loss) after tax after extra-ordinary items	405.80	628.10	426.08	297.34	173.76	101.14
Weighted average equity shares outstanding during the year	27925260	27925260	15875909	24883945	24127278	20343945
Face value per share (Rs.)	10	10	10	10	10	10
Earnings per Share – Basic and Diluted (Rs.)						
Before extra-ordinary income	14.53	22.49	26.84	11.95	4.48	4.97
After extra-ordinary income	14.53	22.49	26.84	11.95	7.20	4.97

j. The group's primary segment consists of business segment, namely Tours and Travel. There are no other separate reportable primary segments as required in Accounting Standard AS 17 – Segment Reporting notified by Companies (Accounting Standards) Rules, 2006.

Information required as per Accounting Standard AS 17 – Segment Reporting in respect of secondary segment is as under:

<b>Particulars</b>	<b>Three months period ended June 30, 2009</b>	<b>As at March 31, 2009</b>	<b>As at March 31, 2008</b>	<b>As at March 31, 2007</b>	<b>As at March 31, 2006</b>	<b>As at March 31, 2005</b>

<u>Segment Revenue:</u>						
India	581.25	1,465.17	1,175.92	854.06	550.65	350.94
Rest of World	385.39	1,318.06	645.46	77.74	0.08	-
<u>Segment Assets:</u>						
India	5,379.86	4,838.82	4,351.98	2625.20	2124.46	1694.30
Rest of World	3,767.55	3,197.30	940.23	131.34	107.62	-
<u>Segment Liabilities:</u>						
India	3,249.83	3,261.07	2,987.25	1876.98	1577.30	1518.92
Rest of World	3,134.05	2,501.40	625.29	52.02	42.06	-
<u>Capital Expenditure:</u>						
India	20.42	174.13	73.50	37.42	65.99	31.79
Rest of World	284.52	266.18	103.38	11.83	-	-

- k. As per Accounting Standard 18, notified by Companies (Accounting Standards) Rules, 2006, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

**A) Name of Related Parties and nature of relationship where control exists as identified by the Management**

**i) Key Management Personnel**

Mr. A.B.M Good

Mr. Peter Kerkar

Ms. Urrshila Kerkar

Mr. Arup Sen – (Resigned on 14<sup>th</sup> May, 2008)

**ii) Associate Companies**

Tulip Star Hotels Limited

Liz Investments Private Limited

iii) Joint Venture : -

**Royale Indian Rail Tours Limited**

**iv) Relatives of Key Managerial Personnel**

Dr. A. B. Kerkar

Mrs. Elizabetha Kerkar

**v) Enterprises over which Key Management Personnel and their relatives exercise significant influence**

Far Pavilions Tours and Travels Limited

Ezeego One Travels and Tours Pvt. Ltd.

Good Relations (India) Limited

**B) Nature of Transactions**

**(Rs. in Millions)**

Name of the Party	Nature of Transaction	Three months ended June 30,2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
<b>Associates</b>							
Tulip Star Hotels Ltd.	Dividend		-	-	-	0.29	0.04
	Interest Paid		-	-	8.78	9.85	9.85
	Interest Received	6.14	21.45	4.77	1.65	-	-
	Loans/Advances Given	4.76	30.76	106.24	15.95	42.52	2.18
	Loans/Advances Taken	-	-	-	-	-	-
	Outstanding Balance Debit /(Credit)	168.61	163.85	133.08	26.85	(78.61)	(121.13)
Liz Investments Pvt. Ltd	Investments	14.03	14.03	14.03	14.03	14.03	14.03
	Dividend	-	1.38	1.20	-	1.06	0.11
	Interest Received	1.22	4.08	2.17	0.68	-	-
	Loans/Advances Given	1.22	6.34	18.88	4.07	1.73	1.45
	Loans/Advances Taken	-	-	-	-	-	67.73
	Outstanding Balance Debit /(Credit)	33.68	32.46	26.12	7.25	3.17	(66.29)

<b>Joint Venture</b>							
Royale Indian Rail Tours Limited	Investment	25.00	25.00	-	-	-	-
	Loans/Advances Taken	9.94	45.65	-	-	-	-
	Outstanding Balance Debit /(Credit)	55.59	45.65	-	-	-	-

<b>Key Management Personnel</b>							
Mr. Peter Kerkar	Dividend	-	0.27	0.19	0.65	0.65	Rs.3209
	Loans/Advances Taken	-	-	-	-	-	20.27
	Outstanding Balance Debit /(Credit)	-	-	-	-	-	(20.67)
	Salary	0.42	1.64	1.09	-	-	-
Ms. Urrshila Kerkar	Dividend	-	0.46	0.05	0.26	0.26	Rs.6125
	Salary	4.68	5.58	0.45	0.90	0.90	12.00
	Loans/Advances Taken	-	-	-	-	-	17.77
	Outstanding Balance Debit /(Credit)	-	-	-	-	-	(18.07)
Mr. A.B.M Good	Purchase of Investments	-	-	-	195.02	-	-
Mr. Arup Sen	Salary	-	0.37	0.88	0.42	0.23	-

<b>Relatives of Key Management Personnel</b>							
Dr. A. B. Kerkar	Dividend	-	-	-	0.07	0.07	Rs.4900
	Loans/Advances Taken	-	-	-	-	-	46.31
	Outstanding Balance Debit /(Credit)	-	-	-	-	-	(46.31)
Mrs. Elizabetha Kerkar	Dividend	-	0.13	0.11	0.11	0.11	0.01
	Loans/Advances Taken	-	-	-	-	-	7.17
	Outstanding Balance Debit /(Credit)	-	-	-	-	-	(7.17)

<b>Enterprises over which Key Management Personnel and their relatives exercise significant influence</b>							
Far Pavilions Tours and Travels Limited	Interest Received	3.26	11.77	9.24	7.63	4.14	1.07
	Loans/Advances Given	3.82	14.78	11.26	9.72	41.22	1.07
	Outstanding Balance Debit /(Credit)	90.02	86.20	71.42	60.16	50.45	9.23
Ezeego One Travels and Tours Pvt. Ltd.	Interest Received	11.20	23.97	23.70	1.33	-	-
	Purchases	39.77	94.64	98.90	-	-	-
	Sales	5.48	893.55	706.92	-	-	-
	Investment	200.00	200.00	200.00	200.00	-	-
	Loans/Advances Given	62.42	243.97	(64.02)	40.76	44.07	-
	Outstanding Balance Debit /(Credit)	917.32	848.00	558.04	84.84	44.07	-

1. Contingent Liabilities as at 30-06-2009:

- Guarantees given by banks Rs 23,376,286/-
- Claims against the Company not acknowledged as debts estimated at Rs. 174,356,088/-
- Disputed income tax demand Rs 131,330,349/-. The Company has made advance payment of Rs 65,057,187/- against the same.
- Guarantees given to bank for loan taken by wholly owned subsidiary company Rs. 1,537,600,000/-

**3. Regrouping**

Figures in the restated financial statements have been appropriately regrouped to conform to the reclassifications made in the subsequent years.

## STATEMENT OF ADJUSTMENTS IN THE CONSOLIDATED SUMMARY STATEMENTS, AS RESTATED

## 1. Restatements

## a) Deferred Revenue Expenditure

The expenditure incurred by the company prior to March 31, 2004 on promotion of specific branded products viz. 'Duniya Dekho', 'Bharat Dekho' and 'Flexi Hols' to establish the brands in the markets were written off over a period of five years, being the expected period of commercial benefit to the Company. As required by Accounting Standard AS 26 – Intangible Assets, the accounts have been restated and the unamortized amount of Rs.82.60 millions as at 31-03-2004 has been adjusted in opening reserves as at 1-4-2004.

## b) Taxation

- i. In case of parent company, adjustments have been made to the reduce the deferred tax liability aggregating to Rs.36.65 millions for the financial year ended March 31, 2005, March 31, 2006 and March 31, 2007 on account of the deferred revenue expenditure restated as stated above. Also the deferred tax liability has be reduced by Rs.29 million as at March 31, 2004 which were adjusted against the General Reserves/Profit and loss account has been restated.
- ii. Excess / shortfall in provision for income tax in case of parent company arising on completion of assessments accounted in the financial statements for the years 2005-06 and 2008-09 have been adjusted in the relevant financial years to which they relate to in the restated financial statements.
- iii. Consequent to above adjustments given in para (a) above, the tax liabilities for the years from 2004-05 to 2006-07 were recomputed and the current tax provision for the respective years have been restated in the restated financial statements.

## c) Reconciliation of Profit/(Loss) as per Audited Accounts with Restated Statements

Rs. in Millions

	Three Months period ended June 30, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
<b>Net Profit /(loss)as per audited accounts</b>	<b>405.80</b>	<b>627.24</b>	<b>431.15</b>	<b>307.10</b>	<b>198.10</b>	<b>122.59</b>
Deferred Revenue Expenditure [as per para (a) above]	-	-	-	17.64	32.44	32.51
Taxation [as per para (e) above]	-	(0.86)	5.06	(7.87)	(8.10)	(11.06)
<b>Net Profit /(loss)as per Restated Statements</b>	<b>405.80</b>	<b>628.10</b>	<b>426.08</b>	<b>297.34</b>	<b>173.76</b>	<b>101.14</b>

## 2. Statement of Auditors Qualification

There are no Auditor's Qualifications that has remained unadjusted in respect of the financial years ended March 31, 2005 to Three months period ended June 30, 2009.

3. **Balance of Profit and Loss account, as restated as at 1-4-2004**

Rs. in millions

<b>Balance in Profit and Loss account as per audited financial statement</b>		<b>45.35</b>
Less:		
Deferred Revenue Expenditure as at 31-3-2004 Charged off		82.60
Add:		
Tax adjustment in respect of earlier years	0.18	
Provision for deferred tax asset as at 31-12-01	11.80	11.97
<b>Restated Balance in Profit and Loss account as at 31-3-2004</b>		<b>(25.28)</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with our audited restated financial statements prepared in accordance with paragraph B of Part II of Schedule II to the Companies Act and SEBI Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2005, 2006, 2007, 2008, 2009 and for the three months period ended June 30, 2009 in the section titled 'Financial Statements' beginning on page 171 of this Red Herring Prospectus. You are also advised to read the section titled 'Risk Factors' beginning on page xv of this Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and result of operations and cash flows. The following discussion relates to our company on a consolidated basis, and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act, 1956 and the SEBI Regulations. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.*

For 'Our Business Overview' please refer to page 76 of this Red Herring Prospectus.

### **Material Developments after March 31, 2009 that may affect our future Results of Operations**

In compliance with AS-4, to our knowledge no circumstances other than as detailed below and save and except as disclosed in this Red Herring Prospectus have arisen since the date of the last financial statements contained in the Red Herring Prospectus which materially and adversely affect or are likely to affect, the trading and profitability of the Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

- We issued 19,547,682 fully paid up equity shares of the face value of Rs.10/- each for cash per share at par on rights basis in the ratio of 7 fully paid up equity shares for every 10 fully paid up equity shares held on the record date June 19, 2009. For details, refer to the chapter titled "Capital Structure" beginning on page 22 of this Red Herring Prospectus.
- We completed the acquisition of 'East India Travel Company Inc after our last financial year ended March 31, 2009. East India Travel Inc, established in the year 1989 is a boutique Travel Company in the US, offering private travel and group travel to Latin America, Africa, Middle East, South East Asia, India and China mainly serving high net worth clients. The US is the world's second largest spender on tourism and the third biggest worldwide in terms of outbound travel. East India caters to the outbound leisure market. It offers a unique position in the market in that it caters to the absolute top end. East India Travel Inc was 100% acquired by Cox & Kings Travel Limited in April 2009 for a consideration of around 22 Million USD. Out of the total deal size, Axis Bank funded Cox & Kings Travel Limited to the tune of 15 Million USD.
- We have incorporated 2 subsidiaries with the names of Quoppro Global Limited in the United Kingdom and Quoppro Global Services Private Limited in the Hong Kong on August 28, 2009.

Other than as stated herein our Directors hereby state that in their opinion, there is no material development after the date of the last financial statements disclosed in this Red Herring Prospectus 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.

### **Factors Affecting Our Results of Operations**

Our financial condition and results are affected by numerous factors including the following:

#### ***General Economic and Business Conditions***

Our business performance is dependent upon national and global growth. India's growth rate of Gross Domestic Product (GDP) was 6.7 per cent during 2008-09. The structure of India's economy has changed over the last ten years with contribution of the services sector to GDP at well over 50 per cent of GDP in 2008-09.

With rising incomes, growing aspirations and increasing globalization tourism is on the rise. More Indians are travelling 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. It can contribute significantly towards the country's GDP and, thus, has encouraged several government initiatives towards this sector. These initiatives have significant impact on our business. Besides, government's responsibility towards conditions of normalcy, safety and security has a direct impact on global tourism and, thereby, on our business.

### ***Brand Image***

The recognition and acceptance of our brand has significantly contributed to the success of our business. Our business is significantly dependent on the continued establishment and promotion of our brands through which we offer our service offerings. Promoting and positioning our branded products largely depends on the success of our marketing and merchandising efforts and our ability to provide a consistent, high-quality customer experience. If we are unable to respond in a timely and appropriate manner to changing consumer demand, our brand name and brand image may be impaired.

### ***Competition***

We believe that we can sustain any pressure from our direct competitors. Travel business in India is highly fragmented with presence of many regional, local and unorganized sector players. 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.

### ***Pricing Pressures***

Since the company is operating in a highly competitive environment and has to compete with national and international level established players of remarkable reputation there is always a pressure to correctly price the services of our Company.

### ***Fluctuations in Exchange Rates***

Fluctuations in exchange rates have direct impact on our business. Strengthening of rupee may increase the number of outbound tourists from India as foreign tours will become relatively cheaper. However, at the same time it may affect inbound tourism as travelling to India would become relatively expensive and vice-versa.

### ***Seasonality of Operations***

Tourism industry has seasonality in its operations. The Outbound Tourism is typically concentrated more in the first half of the year while the Inbound Tourism is typically concentrated more in the second half of the year. The statistics of the last 5 years of Foreign Tourist Arrivals in India indicates that the period of October – March witnessed more foreign tourists arriving to India than the period of April – September. There are several factors for its nature of seasonality including climatic conditions, festival occasions, events, etc.

### ***Consumer Demographics***

India has a very large population of over 1 billion people and a very large part of the population is comprised of middle-income consumers. Owing to strong GDP growth over the years, Indian consumers benefited from increases in their level of disposable income, which in relation to travel and tourism benefited middle-income consumers the most, as it has enabled them to travel more frequently and to spend more on tourism.

Besides, demand for both domestic trips and outbound travel is expected to increase strongly due to affordability and changing attitudes among Indian consumers as they become more willing to spend their disposable income on "premium" travel products. This is also expected to prompt further change in the type of travel products and destinations that travellers demand. As Indian consumers become more demanding and more discerning about the travel products that they purchase, we will need to provide superior information, products and services in order to appeal to them and this will create a need for more creative and affordable packages.

### ***Ability to expand our international operations***



As we compete with both local and international players in each of the geography we operate in we need to assume the size of a global player. Thus, we need to continuously expand our operations and meet the challenges of competition by several ways including:

- Entering into arrangements beforehand with suppliers & leading tour operators;
- Expanding the base in major countries of the world;
- Acquisition within industry to provide significant synergies and economies of scale.

#### ***Ability to grow our number of new customers and increase sales to existing customers***

Our revenues are dependent on growth of new customers and increase in sales to existing customers. We believe that our track record of timely delivery and quality of service has allowed us to establish long and stable relationships with several of our large customers, and we have achieved revenue growth from increased sales to our customers. We seek to leverage our long term relationships with our existing customers to gain new customers. We also aim to be identified as a strategic vendor for our existing and future customers and accordingly, may have to incur additional costs. We also enter into competitive pricing structures with our new customers in the initial stages of our relationship to establish the rapport and may continue to do so in the future.

#### ***Other Factors***

Our company is in the tourism business, where there is direct interaction with the end user client. 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, climate of their country etc. Our management is travelling widely across the world which helps us in regularly updating ourselves on the various socio-economic conditions in each region. This helps us in providing quality and satisfactory services to our clients.

For more information on these and other factors/developments which have or may affect us, please refer to chapter titled 'Risk Factors', 'Industry Overview' and 'Our Business' on pages xv, 54 and 76 respectively.

### **Discussion on Results of Operations**

#### ***Income***

- **Operating Income**

Our Income from Operations consists mainly of net commission earned from providing tour and travel services to foreign Inbound tourists visiting India, domestic tourists travelling within India, Indian Outbound tourists travelling abroad and providing ticketing and foreign exchange services to our corporate travellers. Likewise income from buying and selling of foreign currencies is accounted on net basis i.e. on the basis of commissions/ margins earned. Besides, we have our revenues from other related services like Visa Processing, Travel Insurance, etc.

For details on tour and travel operations of our company and our subsidiaries please refer to the table captioned 'Travel & Tourism Product Profile Snapshot' in the chapter 'Our Business' on page 76 of this Red Herring Prospectus forming part of the section titled 'Our Business'.

- **Other Income**

Other Income includes income from, among other things, interest earned from fully convertible debentures, interest earned from bank deposits and miscellaneous income.

#### ***Expenditure***

As per our accounting policy, commissions arising from tours and travel related services are accounted as revenue in the Profit & Loss Account. This commission is the difference between Gross Sales and Direct Expenses, which include Hotel Expenses, Transportation, Air ticketing, Tour Leader/Guiding Expenses and such other expenses related to the travel.

However, expenses such as Personnel Expenses, Interest and Finance Charges and Depreciation in addition to our other administrative overheads are accounted in our Profit & Loss Account.

**Direct Expenses:**

- **Hotel Expenses**

Hotel Expenses include boarding and lodging arrangements for our clients. This is a major expense in our industry and critically affects the margins of the company. We normally get the rates from the hoteliers in advance for a calendar year, on the basis of which we formulate the cost of our itinerary. Thus the chances of fluctuation in the hotel rates are minimal.

- **Transportation**

Transportation includes the cost we incur in payment to transporters for the transportation services they provide to our clients. We normally enter into rate agreements for a calendar year with all the transporters on our panel. This minimizes the risk of fluctuation in the transportation rates during any given period.

- **Air Ticketing**

We provide tickets and other ancillary services to our corporate clients, with whom we have annual contracts. As a domestic and outbound tour operator we also do the ticketing of our clients for their tours within India as well as abroad. With rates made available by the airlines in advance, we formulate our cost for an itinerary. As an inbound tour operator, we do the ground handling of our clients from the date of their arrival into India till the date of their departure from India. Thus our itinerary includes air travel within India and its neighbouring countries. Normally all the airlines fix their rates in advance for a season. On the basis of those rates we quote our charges for the itinerary.

- **Guiding**

Other operational cost includes guiding charges, monument entrances fees etc. Guiding is one of the crucial services since Tour Leader/Guide is the person who directly interacts with the client during their tour. Any mistake by the tour leader can result in loss of future business opportunity. Taking into consideration the severity of services, our Company selects the tour leaders very carefully after taking into account their personal appearance, their qualification, their knowledge and most importantly their command over the language and their presentation skills. To enhance their abilities, our Company organize tour escorts training programme from time to time.

- **Other Direct Expenses**

As a part of tour cost, our Company also pay monument entrances fees (as applicable) to be paid at the time of entering into a particular monument. Since the entrances fees is also fixed and does not fluctuate very often, our Company is able to cover the cost while formulating the cost of a particular package tour

**We account our expenses under the following heads:**

- **Personnel Expenses**

Our payment to and provision for employees consists of salaries, allowances, bonuses, retrenchment benefits, incentives paid to staff other than contribution to staff provident funds and other staff welfare expenses like gratuity and leave encashment.

- **Other Expenses**

Other Expenses relates to expenses including, among other things, rent, electricity expenses, insurance, communication and courier expenses, printing & stationery, legal & professional fees, travelling & conveyance, advertisement, publicity and business promotion, computer expenses, security expenses, and other miscellaneous expenses.

- **Depreciation**

This includes depreciation on computers and printers, electrical installations and fittings, office equipments, furniture and fixtures, leasehold improvements, vehicles, database and software. In case of parent Company, depreciation on fixed assets has been provided on the written down value method at the rates prescribed under Schedule XIV of the Companies Act, 1956. Intangible assets are amortised over a period of five to ten years being the expected period of use. The leasehold land and leasehold improvements are depreciated over the lease period.

In case of ETN Services Limited, the depreciation is provided on following rates on Written Down Value Method:

Plant and Machinery	-	25%
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In case of Cox & Kings Tours LLC, the depreciation is provided on following rates on Written Down Value Method:

Plant and Machinery	-	33.33%
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In case of Cox and Kings Limited, the depreciation is provided on following rates on Written Down Value Method:

Freehold and short leasehold property	-	15%
Plant and machinery	-	15%
Computer equipment	-	15%
Motor vehicles	-	25%

In case of Cox and Kings (Japan) Limited, the depreciation is provided on following rates on Written Down Value Method:

Freehold and short leasehold property	-	15%
Plant and machinery	-	15%
Computer equipment	-	15%
Motor vehicles	-	25%

In case of Cox and Kings (Australia) Pty Ltd, the depreciation is provided on following rates on Straight Line Method:

Furniture, Fixtures and Fittings	-	20%
Office Equipment	-	20%
Computer equipment	-	40%

In case of CNK Intranet PTE Ltd. , the depreciation is provided on following rates on Straight Line Method:

Furniture, Fixtures and Fittings	-	20%
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In case of Quoprro Global Services PTE Ltd., the depreciation is provided on following rates on Straight Line Method:

Office Equipment	-	33.33%
Renovations (Leasehold Improvements)	-	20%

- **Interest & Finance Charges**

The finance charges incurred by us include interest charges payable by us for short term and long term loans including working capital loans, interest charges on loans and the financial charges like processing fees for loans, bank guarantees.

- **Taxation**

Provision for current tax is made, based on the tax payable under the relevant statute. Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty of its realization.

For the 'Basis of Consolidation' and the 'Other Significant Accounting Policies' you may kindly refer to Annexure on 'Notes on Accounts for the Consolidated Summary Statements, as Restated' (forming part of the section titled 'Financial Statements') on page 171 of this Red Herring Prospectus.

### Summary of our Results of Operations

We will discuss our Results of Operations on a consolidated basis and thus, we set forth below a table showing comparative analysis of our consolidated Revenues, Expenditures, EBITDA, Profits Before Tax and Profits After Tax for the Fiscals 2006, 2007, 2008 and 2009:

*All the figures discussed below are in Rupees Million (rounded off to the nearest decimal) and are on consolidated basis unless specified otherwise. All the percentages given below have been rounded off for the purpose of discussion.*

CONSOLIDATED PROFIT AND LOSS ACCOUNT	<i>All figures are in Rupees Million</i>									
	Year Ended Jun. 30, 2009		Year Ended Mar. 31, 2009		Year Ended Mar. 31, 2008		Year Ended Mar. 31, 2007		Year Ended Mar. 31, 2006	
	Amount	As %	Amount	As %	Amount	As %	Amount	As %	Amount	As %
<b>Commission and Operating Income</b>	<b>996</b>		<b>2,869</b>		<b>1,821</b>		<b>970</b>		<b>632</b>	
<i>y-o-y growth in %</i>			<i>58%</i>		<i>88%</i>		<i>53%</i>		<i>50%</i>	
<i>Less:</i>										
Personnel Expenses	221	22%	791	28%	506	28%	209	22%	151	24%
Other Expenses	303	30%	865	30%	586	32%	359	37%	278.17	44%
<b>EBITDA</b>	<b>473</b>	<b>47%</b>	<b>1,213</b>	<b>42%</b>	<b>730</b>	<b>40%</b>	<b>402</b>	<b>41%</b>	<b>203</b>	<b>32%</b>
<i>Less:</i>										
Interest & Finance Charges	66	7%	201	7%	59	3%	52	5%	31	5%
Depreciation	30	3%	96	3%	64	3%	34	4%	18	3%
<i>Add:</i>										
<b>Other Income</b>	<b>163</b>	<b>16%</b>	<b>67</b>	<b>2%</b>	<b>62</b>	<b>3%</b>	<b>25</b>	<b>3%</b>	<b>26</b>	<b>4%</b>
<b>Profits Before Tax</b>	<b>539</b>	<b>54%</b>	<b>983</b>	<b>34%</b>	<b>669</b>	<b>37%</b>	<b>341</b>	<b>35%</b>	<b>180</b>	<b>28%</b>
Less: Provision for Tax	131	13%	349	12%	217	12%	131	13%	72	11%
<b>Profits After Tax</b>	<b>408</b>	<b>41%</b>	<b>634</b>	<b>22%</b>	<b>451</b>	<b>25%</b>	<b>210</b>	<b>22%</b>	<b>108</b>	<b>17%</b>
<i>y-o-y growth in %</i>			<i>40%</i>		<i>115%</i>		<i>95%</i>		<i>11%</i>	
Extra Ordinary Income	-		-		-		-		66	10%
<b>Profits After Tax After Extra Ordinary Income</b>	<b>408</b>	<b>41%</b>	<b>634</b>	<b>22%</b>	<b>451</b>	<b>25%</b>	<b>210</b>	<b>22%</b>	<b>173</b>	<b>27%</b>
Share of Profit (Loss) from Investment in Associates	(2)		(6)		(25)		87		0.46	
<b>Group Profits After Tax</b>	<b>406</b>	<b>41%</b>	<b>628</b>	<b>22%</b>	<b>426</b>	<b>23%</b>	<b>297</b>	<b>31%</b>	<b>174</b>	<b>28%</b>

Our consolidated 'Commission and Operating Income' have grown at a CAGR of 66% over the last three years ended March 31, 2009 to achieve consolidated revenues of Rs.2869 mn. Our EBITDA margins on a consolidated basis have improved from 32% in Fiscal 2006 to 42% in Fiscal 2009. This is primarily due to continuous contraction in our 'Other Expenses' which reduced from 44% (as a percentage of 'Commission and Operating Income') in Fiscal 2006 to 30% in Fiscal 2009. Our consolidated 'Profits After Tax' margins have, likewise, improved from 17% in Fiscal 2006 to 22% in Fiscal 2009. EBITDA has grown at a CAGR of 82% and 'Profits After Tax' has grown at a CAGR of 81% over the last three years ended March 31, 2009.

#### **Review of the Quarter ended June 30, 2009:**

In our first quarter of the Fiscal 2010 our 'Commission and Operating Income' on consolidated basis is Rs.996 mn i.e. 35% of the full year consolidated revenues of the Fiscal 2009. Likewise, our 'Commission and Operating Income' on standalone

basis is Rs.611mn i.e. 39% of the full year standalone revenues of the Fiscal 2009. Our EBITDA margins on consolidated basis have improved from 42% in Fiscal 2009 to 47% in the current quarter, while that on standalone basis it has improved from 44% in Fiscal 2009 to 52% in the current quarter. Our PAT margins on standalone basis have improved from 25% in Fiscal 2009 to 33% in the current quarter. The consolidated PAT margins have improved from 22% to 41% in the quarter ended June 30, 2009.

## **Revenues:**

### ***Commission and Operating Income***

Our consolidated 'Commission and Operating Income' for the quarter ended June 30, 2009 is Rs.996 mn vis-a-vis our standalone 'Commission and Operating Income' of Rs.611 mn. Our 'Income from Forex Division' for the quarter comprised of Rs.29 mn.

### ***Other Income***

Our consolidated 'Other Income' for the quarter ended June 30, 2009 is Rs.163 mn vis-a-vis Rs.23 mn on a standalone basis. There is an Exchange Fluctuation Gain (net) of Rs.145 mn primarily on account of translating foreign currency loan outstanding in the books of our subsidiary in Australia as on June 30, 2009.

## **Expenditures:**

### ***Personnel Expenses***

Our consolidated 'Personnel Expenses' for the quarter ended June 30, 2009 is Rs.221 mn i.e. 22% of our consolidated 'Commission and Operating Income'. Our 'Personnel Expenses', both on consolidated and standalone basis, as a percentage of our consolidated and standalone operating revenues have improved from 28% and 21% to 22% and 14% respectively. Though in absolute terms Personnel Expenses have remained almost proportionate to the full year costs of Fiscal 2009, as a percentage of increased revenues it has improved significantly.

### ***Other Expenses***

Our consolidated 'Other Expenses' for the quarter ended June 30, 2009 is Rs.303 mn which has remained 30% of our consolidated revenues like that in Fiscal 2009. On standalone basis 'Other Expenses' is Rs.207 mn which is 34% of our consolidated revenues reducing marginally from 35% in Fiscal 2009.

Of the total, 'Advertisement, Publicity & Business Promotion' expenses were 51% of the consolidated 'Other Expenses' and 15% of our consolidated operating revenues for the quarter ended June 30, 2009.

### ***Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)***

Our consolidated EBITDA for the quarter ended June 30, 2009 is of Rs.473 mn, i.e. 47% of our operating revenues and on standalone basis it is Rs.317 mn, i.e. 52% of our operating revenues. It has improved from 42% and 44% on consolidated and standalone basis respectively in Fiscal 2009.

### ***Interest & Finance Charges***

Our consolidated 'Interest and Finance Charges' is Rs.66 mn for the quarter ended June 30, 2009 vis-a-vis Rs.22 mn on standalone basis. As a percentage of consolidated operating revenues the Interest and Finance Charges remains unchanged at 7% for the quarter ended June 30, 2009 when compared with Fiscal 2009. On standalone basis, however, it has improved from 6% of our operating revenues in Fiscal 2009 to 4% for the quarter ended June 30, 2009.

### ***Depreciation***

Our consolidated charge for 'Depreciation' for the quarter ended June 30, 2009 is Rs.30 mn remaining unchanged at 3% as a percentage of the operating revenues when compared with Fiscal 2009, vis-a-vis Rs.12 mn on standalone basis.

### ***Profits Before Tax***

Our consolidated 'Profits Before Tax' for the Fiscal 2009 was Rs.539 mn, i.e. 54% of our consolidated operating revenues and the standalone 'Profits Before Tax' has been Rs.306 mn, i.e. 50% of our standalone operating revenues.

### ***Profits After Tax***

Our consolidated PAT for the quarter ended June 30, 2009 is of Rs.408 mn i.e. 41% of our consolidated operating revenues and on standalone basis it is Rs.204 mn i.e. 33% of our operating revenues. There has been a significant improvement in our net margins for the quarter ended June 30, 2009 i.e. from 22% and 25% on consolidated and standalone basis respectively in Fiscal 2009. This improvement can be primarily contributed to an improvement in our Personnel Costs as a percentage of our operating revenues besides exchange fluctuation gain (net) on account of translating foreign currency loan outstanding in the books of their subsidiary in Australia as on June 30, 2009

### ***Share of Profit / (Loss) from Associates***

We had a share of loss of Rs.1.8 mn from our Associates for the quarter ended June 30, 2009 vis-a-vis Rs.6.3 mn for the Fiscal 2009.

### ***Group Profits After Tax***

Our 'Group Profits After Tax' was Rs.406 mn for the quarter ended June 30, 2009.

### **Review of Financial Position**

#### ***Fixed Assets, Capital Work In Progress & Advances and Goodwill***

Our consolidated Gross Block as on June 30, 2009 stood at Rs.1,300 mn and our consolidated Net Block of Fixed Assets (after the charge of depreciation) stood at Rs.765 mn. Our CWIP as on June 30, 2009 was Rs.125 mn and our Goodwill on Consolidation stood at Rs.2,254 mn, primarily due to goodwill on consolidation arising on account of East India Travel Company Inc which was acquired through our subsidiary in UK during the quarter.

#### ***Current Assets***

Our consolidated 'Current Assets' stands at Rs.5,999 mn vis-a-vis standalone Current Assets of Rs.4,443 mn as on June 30, 2009.

Our consolidated Current Assets primarily comprises of Sundry Debtors of Rs.2,290 mn and Loans and Advances of Rs.2,538 mn as on June 30, 2009. Our standalone Current Assets primarily comprises of Sundry Debtors of Rs.1,628 mn and Loans and Advances of Rs.2,448 mn as on June 30, 2009. The rest of Current Assets constitutes of Cash and Bank Balances and Inventories. Inventories represent the stock of foreign currency and pertain to our standalone entity.

#### ***Current Liabilities and Provisions***

Our consolidated 'Current Liabilities and Provisions' stands at Rs.2,515 mn as on June 30, 2009 comprising of Current Liabilities of Rs.1,573 mn and Provisions to the tune of Rs.942 mn. The standalone Current Liabilities is Rs.535 mn and Provisions of Rs.799 mn as at the end of this quarter.

Current Assets Ratio, when measured for the consolidated balances as on June 30, 2009 is 2.39:1.

#### ***Non-Current Liabilities***

'Non-Current Liabilities' consists of Secured Loans and Unsecured Loans. Our consolidated 'Non-Current Liabilities' as on June 30, 2009 is Rs.4,321mn of which Secured Loans consists of Rs.2,992 mn and Unsecured Loans of Rs.1,329 mn. Our standalone 'Non-Current Liabilities' as on June 30, 2009 is Rs.2,384 mn of which Secured Loans consists of Rs.1,198 mn and Unsecured Loans of Rs.1,187 mn. Our standalone Secured Loans comprise of Bank Overdraft of Rs.143 mn, Term

Loans of Rs.1,047 mn and Term Loan from Others is Rs. 7.5 mn. The Unsecured Loans primarily consists of NCDs issued worth Rs.1,180 mn. We have obtained additional long term working capital loans from Central Bank of India and Allahabad Bank during the quarter.

### **Net Worth**

Our consolidated Net Worth as on June 30, 2009 was Rs.2,770 mn, i.e. an increase from Rs.2,280 mn as on March 31, 2009. The increase was on account of profits earned during this fiscal.

Debt Equity Ratio, as measured on consolidated financial statements, was 1.56:1.

### **Off-Balance Sheet Items**

<b>Particulars</b>	<b>(Rs. in Millions)</b>
	<b>As on June 30, 2009</b>
a. Guarantees given by Banks	20.43
b. Claims against the Company not acknowledged as debts	174.36
c. Disputed Income Tax Demands (of which Adv. Payments made Rs.65.06 mn)	131.33
d. Guarantees given to bank for loan taken by wholly owned subsidiary company	1,537.60

### **Comparison of Fiscal 2009 with Fiscal 2008:**

Fiscal 2009 proved quite historic for us as we forayed into businesses with huge growth potential and synergic benefits to our existing operations and strengthened our presence in geographies like Australia and New Zealand.

We acquired Quoppro Global Services Private Limited and forayed into the business of visa processing. Globally visa processing activities have been concentrated amongst few players and through this acquisition we have explored the potential in this business. In September 2008, we got an approval from The High Commission of India at Singapore for outsourcing their visa processing activities to us. In December 2008 we formed a Joint Venture with IRCTC under the name of “Royale Indian Rail Tours Limited” to operate a luxury train to be called “*Maharajas’ Express*”. The combined strength of IRCTC in rail based tourism and hospitality and ours in high-end international tourism, would make this a state of the art luxury train. While IRCTC will be involved in the operations, we will leverage our overseas offices to market the product globally. This train is currently under manufacturing and is scheduled to commence operations in January 2010.

During this fiscal, we acquired Tempo Holidays Pty Ltd. based in Australia with its wholly owned subsidiary Tempo Holidays NZ Ltd. in New Zealand. Since significant business of Tempo Holidays is in European countries, consolidating our ground handling capabilities therein with ETN Services Limited will result in adding to our existing buying power and thereby resulting in significant savings to the group.

### **Revenues:**

#### ***Commission and Operating Income***

Our consolidated ‘Commission and Operating Income’ was Rs.2,869 mn for the Fiscal 2009 as against Rs.1,821 mn for the Fiscal 2008 recording a *y-o-y growth* of 58%. Our standalone ‘Commission and Operating Income’ stood at Rs.1,551 mn for the Fiscal 2009 vis-a-vis Rs. 1,176 mn for the Fiscal 2008 posting a *y-o-y growth* of 32%.

Our operating revenues from overseas subsidiaries more than doubled contributing Rs.1,318 mn for the Fiscal 2009 vis-a-vis Rs.645 mn for the Fiscal 2008. We achieved Rs.746 mn i.e. 26% of our consolidated revenues from our operations in UK recording a *y-o-y growth* of 66%. Similarly, we witnessed a *y-o-y growth* of 57% achieving Rs.299 mn in revenues from our operations in Japan. Further, our acquired entities in Australia and New Zealand contributed Rs.173 mn in operating revenues since their acquisition with effect from November 5, 2008 and December 19, 2008 respectively. We earned Rs.89 mn as revenues from our activities in Dubai for the Fiscal 2009. Our ‘Income from Forex Division’ achieved Rs.86 mn in revenues for the Fiscal 2009 vis-a-vis Rs.63 mn for the Fiscal 2008.



### ***Other Income***

Our consolidated 'Other Income' for the Fiscal 2009 increased to Rs.67 mn from Rs.62 mn for the Fiscal 2008. This was primarily due to increase in the interest that we earned on Convertible Debentures issued by us of Rs.43.5 mn in the Fiscal 2009 against Rs. 31.8 mn in the Fiscal 2008.

### **Expenditures:**

#### ***Personnel Expenses***

Our consolidated 'Personnel Expenses' for the Fiscal 2009 was Rs.791 mn i.e. 28% of our consolidated 'Commission and Operating Income'. Our 'Personnel Expenses', both on consolidated and standalone basis, have increased proportionately to the increase in our revenues on absolute basis. However, as a percentage of our consolidated and standalone operating revenues it continued to remain 28% and 21% respectively like that of the previous fiscal. On absolute terms it has increased due to increase in the size of our operations resulting in higher staff strength and also due to addition of staff costs of the acquired entities.

#### ***Other Expenses***

Similarly, the consolidated 'Other Expenses' increased in absolute terms to Rs.865 mn in the Fiscal 2009 vis-a-vis Rs.586 mn in the Fiscal 2008. However, as a percentage of our consolidated operating revenues it has reduced to 30% in the Fiscal 2009 due to effective utilization of our resources. Of the total, 'Advertisement, Publicity & Business Promotion' expenses was 38% of the 'Other Expenses' and 12% of our consolidated operating revenues in Fiscal 2009; like that of the previous fiscal.

#### ***Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)***

We earned an EBITDA of Rs.1,213 mn i.e. 42% of our consolidated operating revenues in Fiscal 2009 vis-a-vis Rs.730 mn in the previous fiscal. In absolute terms it has increased by 66% and has improved by more than 200bp when compared as a percentage of our consolidated operating revenues with that of the previous fiscal.

#### ***Interest & Finance Charges***

Our consolidated 'Interest and Finance Charges' has increased significantly from Rs.59 mn in Fiscal 2008 to Rs.201 mn in Fiscal 2009, primarily due to increase in our borrowings to fund the acquisitions we made both in Australia. As a percentage of our consolidated operating revenues it has increased from 3% in Fiscal 2008 to 7% in Fiscal 2009.

#### ***Depreciation***

Our consolidated 'Depreciation' for the Fiscal 2009 was Rs.96 mn increased from Rs. 64 mn in Fiscal 2008. Increase in Depreciation cost for the year was primarily due to the addition of Fixed Assets pursuant to our acquisitions.

#### ***Profits Before Tax***

Our 'Profits Before Tax' for the Fiscal 2009 was Rs.983 mn i.e. 34% of our consolidated operating revenues, a decrease of 3% over the previous fiscal. Our increase in interest costs has significantly impacted our pre-tax earnings for the fiscal.

#### ***Profits After Tax***

We earned Rs.634 mn on net basis in Fiscal 2009 vis-a-vis Rs.451 mn in the previous fiscal. Our 'Profits After Tax', though has increased in absolute terms, but has reduced by 3%, i.e. we earned 22% of our consolidated operating revenues in Fiscal 2009.

#### ***Share of Profit / (Loss) from Associates***

We had a share of loss of Rs.6 mn from our Associates for the Fiscal 2009 vis-a-vis Rs.25 mn in the previous fiscal.

### ***Group Profits After Tax***

Our 'Group Profits After Tax' was Rs.628 mn in Fiscal 2009 vis-a-vis Rs.426 mn in Fiscal 2008 after considering the share of profit / (loss) from our Associates for the fiscal.

### **Review of Financial Position**

#### ***Fixed Assets, Capital Work In Progress & Advances and Goodwill***

Our consolidated Gross Block as on March 31, 2009 stood at Rs.1,173 mn. The net additions to the Gross Block for the fiscal of Rs.321 mn mainly include softwares, office equipments and furniture & fixtures from the acquisition in Australia during Fiscal 2009 of Rs.132 mn. It also includes addition in leasehold improvements, computers and printers, etc. for our increased operations in India and UK. Our consolidated Net Block of Fixed Assets (after the charge of depreciation) stood at Rs.715 mn as on March 31, 2009. Our net block of 'Computers and Printers' and 'Softwares' jointly constitute 52% of our total Net Block as at the end of this fiscal.

Our CWIP as on March 31, 2009 was Rs.103 mn vis-a-vis Rs.25 mn as on March 31, 2008; of which Rs.67 mn were capital expenditures for Quopro Global Services and Rs.36 mn towards our Indian operations. Our Goodwill on Consolidation for the Fiscal 2009 was Rs.1.110 mn.

#### ***Current Assets***

Our consolidated 'Current Assets' have increased in line with the growth of our business activities and from our acquisitions. As at the end of Fiscal 2009, the total Current Assets stood at Rs.6,072 mn vis-a-vis Rs.4,133 mn as at the end of the previous fiscal. Our standalone Current Assets stood at Rs.4,349 mn as at the end of Fiscal 2009.

Sundry Debtors was Rs.2,322 mn accounting for 41% and Loans and Advances was Rs.3,081 mn accounting for 51% of our consolidated Current Assets as on March 31, 2009. Debtors increased from Rs.1,787 mn as on March 31, 2008. Of the total (Fiscal 2009), Debtors of Rs.1,850 mn were of our standalone entity and the rest Rs.472 mn pertained to our subsidiaries. The increase in debtors is pursuant to increase in volume of our overall business both from India and from our overseas subsidiaries. Loans and Advances increased from Rs.1386 mn as on March 31, 2008. Of the total (Fiscal 2009), Loans and Advances of Rs.2,189 mn belonged to our Indian operations and the rest Rs.892 mn pertained to our subsidiaries.

The rest of Current Assets constitutes of Cash and Bank Balances Rs.634 mn and Inventories worth Rs.35 mn as on March 31, 2009. Inventories represented the stock of foreign currency and pertain to our standalone entity.

#### ***Current Liabilities and Provisions***

Our 'Current Liabilities and Provisions' stood at Rs.2654 mn as on March 31, 2009 comprising of Current Liabilities of Rs.1,836 mn and Provisions to the tune of Rs.818 mn vis-a-vis Rs.1,796 mn and Rs.486 mn respectively that as at the end of the previous year. Previous fiscal's Current Liabilities and Provisions were Rs.2282 mn.

Of the total (Fiscal 2009), Current Liabilities of Rs.1,290 mn were of our standalone entity and the rest Rs.545 mn pertained to our subsidiaries. Current Liabilities primarily consisted of Trade Creditors Rs.688 mn, Other Liabilities Rs.1078 mn, Book Overdraft of Rs.16 mn and Interest Accrued not due Rs.54 mn.

Likewise, Provisions of Rs.714 mn were made for our standalone entity and the rest Rs.104 mn pertained to our subsidiaries.

Current Assets Ratio, when measured for the consolidated balances as at the end of Fiscal 2009 was 2.29:1 times.

### **Non-Current Liabilities**

'Non-Current Liabilities' consists of Secured Loans and Unsecured Loans. Our consolidated 'Non-Current Liabilities' increased from Rs.1296 mn as on March 31, 2008 to Rs.3542 mn as on March 31, 2009. Of the total (Fiscal 2009), Secured Loans consisted of Loans from Banks Rs.1,929, Bank Overdraft of Rs.427 mn and Loans from Others Rs.8 mn and Unsecured Loans consisted of Non-convertible Debentures issued to the tune of Rs.800 mn, Loans from Banks Rs.327 mn and Deposits & Bonds of Rs.51 mn. The significant increase in our Non-Current Liabilities is mainly due to loans obtained from Banks to fund our acquisitions; Rs.885 mn from our Australian subsidiary, Rs.469 mn from our UK subsidiary and an increase of Rs.240 mn in our loans obtained by us in India. We also had further issuances of Non-Convertible Debentures by Rs.200 mn, that of Deposits & Bonds of Rs.38 mn and the balance of Bank Overdraft as at the end of the fiscal.

### **Net Worth**

Our Net Worth as on March 31, 2009 was Rs.2280 mn, i.e. an increase from Rs.1659 mn as on March 31, 2008. The increase was on account of profits earned during this fiscal.

Debt Equity Ratio, as measured on consolidated financial statements, was 1.55:1.

### **Off-Balance Sheet Items**

<i>(Rs. in Millions)</i>	
<b>Particulars</b>	<b>As On March 31, 2009</b>
a. Guarantees given by Banks	20.43
b. Claims against the Company not acknowledged as debts	136.98
c. Disputed Income Tax Demands (of which Advance Payments made Rs.61.90 mn)	127.68
d. Guarantees given to bank for loan taken by wholly owned subsidiary company	1360.76

### **Comparison of Fiscal 2008 with Fiscal 2007:**

In September 2007, we acquired the entire shareholding of Cox & Kings Limited based in UK and took over 41.17% of the share capital of Cox & Kings (Japan) Limited. Cox & Kings Travel Limited, a wholly owned subsidiary of Cox & Kings Limited, is an outbound specialist tour operator and caters to leisure travel market of Europe. Cox & Kings Travel Limited and Cox & Kings Tours LLC holds the rest of 33.33% and 25.50% respectively of Cox & Kings (Japan) Limited. Cox & Kings (Japan) Limited is a dedicated wholesaler of products and services to other tour operators. It also offers ground handling capabilities in select geographies. Thus, for the Fiscal 2008 we had operating subsidiaries at United Kingdom, Japan, Dubai and Singapore.

### **Revenues:**

#### **Commission and Operating Income**

Our 'Commission and Operating Income' was Rs.1,821 mn for the Fiscal 2008 as against Rs.970 mn for the Fiscal 2007 recording a *y-o-y growth* of 88%. This significant jump in our revenues was primarily due to the revenues contributed from the entities we acquired in the UK with effect from September 1, 2007. Our subsidiaries contributed Rs.645 mn towards our revenues for the year. Our standalone 'Commission and Operating Income' stood at Rs.1,176 mn for the Fiscal 2008 vis-a-vis Rs.891 mn for the Fiscal 2007 posting a *y-o-y growth* of 32%. We posted growth in all our Outbound, Inbound, Corporate and, primarily, Domestic travel businesses of our Indian operations. Our Outbound travel business continued to contribute majority of our 'Commission and Operating Income' for Fiscal 2008.

Of the total operating revenues, our 'Travel and Tours Commission' generated Rs.1758 mn and our 'Income from Forex Division' generated Rs.63 mn for the Fiscal 2008.

#### **Other Income**

Our 'Other Income' for the Fiscal 2008 increased to Rs.62 mn from Rs.25 mn for the Fiscal 2007. This was primarily due to increase in the interest that we earned on Convertible Debentures of Rs.31.8 mn in the Fiscal 2008 against Rs.20.8 mn in the Fiscal 2007.

## **Expenditures:**

### ***Personnel Expenses***

Our 'Personnel Expenses' for the Fiscal 2008 was Rs.506 mn i.e. 28% of our consolidated 'Commission and Operating Income' vis-a-vis 22% that of the previous fiscal. Our standalone 'Personnel Expenses' stood at Rs.243 mn and that of our subsidiaries aggregated to Rs.263 mn for the Fiscal 2008. When compared with the previous year these expenses have increased primarily due to increase in the size of our operations resulting in higher staff strength and also due to addition of staff costs of the acquired entities.

### ***Other Expenses***

Our 'Other Expenses' increased in absolute terms from Rs.359 mn in the Fiscal 2007 to Rs.586 mn in the Fiscal 2008. However, as a percentage of our operating revenues it has reduced to 32% in the Fiscal 2008 from 37% of the previous year due to effective utilization of our resources and economies of scale. Of the total, 'Advertisement, Publicity & Business Promotion' expenses constituted the major portion of our 'Other Expenses', i.e. 37% of the 'Other Expenses' and 12% of our operating revenues in Fiscal 2008.

### ***Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)***

We earned an EBITDA of Rs.730 mn i.e. 40% of our operating revenues in Fiscal 2008 vis-a-vis Rs.402 mn in the previous fiscal.

### ***Interest & Finance Charges***

Our 'Interest and Finance Charges', though, as an absolute number varied marginally from Rs.52 mn in Fiscal 2007 to Rs.59 mn in Fiscal 2008, as a percentage of our operating revenues it improved from 5% in Fiscal 2007 to 3% in Fiscal 2008.

### ***Depreciation***

Our consolidated 'Depreciation' for the Fiscal 2008 was Rs.64 mn increased from Rs.34 mn in Fiscal 2007. Increase in Depreciation cost for the year was primarily due to the net addition of Fixed Assets pursuant to our acquisitions.

### ***Profits Before Tax***

Our 'Profits Before Tax' for the Fiscal 2008 was Rs.669 mn i.e. 37% of our operating revenues, an improvement of 2% over the previous fiscal.

### ***Profits After Tax***

Our 'Profits After Tax' more than doubled, consecutively, like in the previous fiscal, in absolute terms and improved by 3%, i.e. 25% as a percentage of operating revenues, in Fiscal 2008 when compared with the previous fiscal. We earned Rs.451 mn on net basis in Fiscal 2008 vis-a-vis Rs.210 mn in the previous fiscal.

### ***Share of Profit / (Loss) from Associates***

We had a share of loss of Rs.25 mn from our Associates for the Fiscal 2008 which reduced our 'Profits After Tax' by 2% of our consolidated operating revenues.

### ***Group Profits After Tax***

Our 'Group Profits After Tax' was Rs.426 mn in Fiscal 2008, i.e. 23% of our operating revenues, vis-a-vis Rs.297 mn in Fiscal 2007 after considering the share of profit / (loss) from our Associates for the fiscal.

## **Review of Financial Position**

### ***Fixed Assets, Capital Work In Progress & Advances and Goodwill***

Our consolidated Gross Block as on March 31, 2008 stood at Rs.852 mn. The net additions to the Gross Block for the fiscal of Rs.564 mn mainly included the assets being added from the entities acquired during Fiscal 2008. Our Net Block of Fixed Assets (after the charge of depreciation) stood at Rs.529 mn as on March 31, 2008. Our net block of 'Computers and Printers' and 'Softwares' jointly constitute 56% of our total Net Block as at the end of this fiscal.

Our CWIP (including Capital Advances) as on March 31, 2008 was Rs.25 mn vis-a-vis Rs.6 mn as on March 31, 2007. Our Goodwill on Consolidation for the Fiscal 2008 was Rs.102 mn.

### ***Investments***

Our 'Investments' as on March 31, 2008 were valued at Rs.465 mn. Our investment (quoted) in Associates stood at Rs.72 mn and Current Investments aggregated to Rs.283 mn as at the end of this fiscal.

### ***Current Assets***

Our 'Current Assets' have increased in line with the growth of our business activities and from our acquisitions. As at the end of Fiscal 2008, the total Current Assets stood at Rs.4133 mn vis-a-vis Rs.1,966 mn as at the end of the previous fiscal. Our standalone Current Assets stood at Rs.3319 mn as at the end of Fiscal 2008.

Sundry Debtors was Rs.1,787 mn accounting for 43% and Loans and Advances was Rs.1745 mn accounting for 42% of our consolidated Current Assets as on March 31, 2008. Debtors increased from Rs.765 mn as on March 31, 2007. Of the total (Fiscal 2008), Debtors of Rs.1,542 mn were of our standalone entity and the rest Rs.245 mn pertained to our subsidiaries. The increase in debtors is pursuant to overall increase in volume of our businesses both in India and from our overseas subsidiaries. Loans and Advances increased from Rs.989 mn as on March 31, 2007. Of the total (Fiscal 2008), Loans and Advances of Rs.1386 mn belonged to our Indian operations and the rest Rs.359 mn pertained to our subsidiaries.

The rest of Current Assets constitutes of Cash and Bank Balances Rs.561 mn and Inventories worth Rs.41 mn as on March 31, 2008. Inventories represented the stock of foreign currency and pertained to our standalone entity.

### ***Current Liabilities and Provisions***

Our 'Current Liabilities and Provisions' stood at Rs.2282 mn as on March 31, 2008 comprising of Current Liabilities of Rs.1,796 mn and Provisions to the tune of Rs.486 mn vis-a-vis Rs.1,077 mn and Rs.277 mn respectively that as at the end of the previous year. Previous fiscal's Current Liabilities and Provisions were Rs.1,354 mn.

Current Liabilities primarily consisted of Trade Creditors Rs.747 mn, Other Liabilities Rs.960 mn, Book Overdraft of Rs.80 mn and Interest Accrued not due Rs.8 mn. Likewise, Current Assets Ratio, when measured for the consolidated balances as at the end of Fiscal 2008 stood at 1.81 times.

### ***Non-Current Liabilities***

'Non-Current Liabilities' consists of Secured Loans and Unsecured Loans. Our consolidated 'Non-Current Liabilities' increased from Rs.572 mn as on March 31, 2007 to Rs.1296 mn as on March 31, 2008. Of the total (Fiscal 2008), Secured Loans consisted of Bank Overdraft (Cash Credits) of Rs.168 mn and Loans from Banks Rs.335 mn and Unsecured Loans consisted of Non-convertible Debentures issued to the tune of Rs.600 mn, Loans from Banks Rs.181 mn and Inter-Corporate Deposits Rs.13 mn. This increase in our Non-Current Liabilities is mainly due to increase in Non-Convertible Debentures by Rs.350 mn, Loan from Bank of Rs.100 mn and the balance of Bank Overdraft as at the end of the fiscal.

### **Net Worth**

Our Net Worth as on March 31, 2008 was Rs.1659 mn, i.e. an increase from Rs.829 mn as on March 31, 2007. The increase was on account of further issuance of equity shares for acquisitions and the profits earned during this fiscal.

Debt Equity Ratio, as measured on consolidated financial statements, was 0.78:1 as on March 31, 2008.

### **Off-Balance Sheet Items**

(Rs. in Millions)

<b>Particulars</b>	<b>As on March 31, 2008</b>
a. Guarantees by Banks	9.19
b. Claims against the Company not acknowledged as debts	36.59
c. Disputed Income Tax Demands (of which Advance Payments made Rs.7.66 mn)	35.66

### **Comparison of Fiscal 2007 with Fiscal 2006**

In March 2006, we acquired the entire shareholding of Clearmine Limited, a company incorporated in the UK. ETN Services Limited is a wholly owned subsidiary of Clearmine Limited and it carries out destination management services for our tours to Europe and also inbound tours in Europe for other tour operators. Thus, our consolidated results for Fiscal 2007 had full year of our operations of these acquired entities. Besides, we also incorporated Cox and Kings Singapore Pvt. Limited in Singapore during Fiscal 2007 and Cox & Kings Tours LLC in Dubai by the end of that year.

### **Revenues:**

#### ***Commission and Operating Income***

Our consolidated 'Commission and Operating Income' for the Fiscal 2007 was Rs.970 mn as against Rs.632 mn for the previous fiscal i.e. a *y-o-y growth* of 53%. This increase was mainly on account of significant growth in our Outbound and Inbound travel businesses besides that in Domestic and Corporate travel businesses of our Indian operations and full year revenues generated from our overseas operating subsidiaries acquired at the end of the previous fiscal. Our Outbound travel business contributed majority of our 'Commission and Operating Income' for Fiscal 2007. Of the total operating revenues, our 'Travel and Tours Commission' generated Rs.933 mn and our 'Income from Forex Division' generated Rs.37 mn for the Fiscal 2007.

#### ***Other Income***

Our 'Other Income' of Rs.25 mn in Fiscal 2007 did not vary significantly from that of the previous fiscal. This constituted mainly (Rs.21 mn) interest earned on convertible debentures issued by us.

### **Expenditures:**

#### ***Personnel Expenses***

Our 'Personnel Expenses' include payment to and provision for employees towards salaries, allowances, bonuses, retrenchment benefits, incentives paid to staff other than contribution to staff provident funds, other staff welfare expenses like gratuity and leave encashment and expenses related to staff training and welfare. These expenses have increased from Rs.151 mn in Fiscal 2006 to Rs.209 mn in Fiscal 2007, i.e. an increase of 38% on an absolute basis. However, when compared as a percentage of our operating revenues for the respective fiscals it has rather improved from 24% in Fiscal 2006 to 22% in Fiscal 2007.

#### ***Other Expenses***

Our 'Other Expenses' increased from Rs.278 mn in Fiscal 2006 to Rs.359 mn in Fiscal 2007, i.e. an increase of 29% on an absolute basis. However, again when compared as a percentage of our operating revenues it has rather declined significantly from 44% in Fiscal 2006 to 37% in Fiscal 2007. This reduction in costs can be attributed towards effective utilization of our resources and economies of scale. Of the total, 'Advertisement, Publicity & Business Promotion' expenses constituted the major portion of our 'Other Expenses', i.e. 39% of the 'Other Expenses' and 14.5% of our operating revenues in Fiscal 2007.

#### ***Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)***

We doubled our EBITDA in Fiscal 2007 from that in Fiscal 2006. We earned an EBITDA of Rs.402 mn i.e. 41% of our operating revenues in Fiscal 2007 vis-a-vis Rs.203 mn in the previous fiscal which was 32% of our operating revenues in Fiscal 2006. This improvement in EBITDA margins is attributable to contraction in our 'Other Expenses'.

#### ***Interest & Finance Charges***

Our 'Interest & Finance Charges' increased from Rs.31 mn in Fiscal 2006 to Rs.52 mn in Fiscal 2007. This increase was attributable to increase in working capital required by our Company. However, relatively it remained unchanged at 5% as a percentage of our operating revenues for both the fiscals under review.

#### ***Depreciation***

Our charge of depreciation for the Fiscal 2007 was Rs.34 mn increased from Rs.18 mn in Fiscal 2006. The increase was due to net additions of Rs.89 mn in the gross block of our Fixed Assets, primarily from the additions in the block of 'Computer and Printers' and 'Softwares' during the fiscal.

#### ***Profits Before Tax***

'Profits Before Tax' for the Fiscal 2007 was Rs.341 mn for Fiscal 2007 as against Rs.180 mn for Fiscal 2006. Relatively, these margins improved from 28% in Fiscal 2006 to 35% in Fiscal 2007 with improved EBITDA margins.

#### ***Profits After Tax***

Our 'Profits After Tax' just doubled in absolute terms and improved significantly, by 5%, i.e. 22% as a percentage of operating revenues in Fiscal 2007 when compared with 17% that of in the previous fiscal. We earned Rs.210 mn on net basis in Fiscal 2007 vis-a-vis Rs.108 mn in the previous fiscal.

#### ***Share of Profit / (Loss) from Associates***

Our 'Share of Profit / (Loss) from Associates' is the share of profit / (loss) in Tulip Star Hotels Ltd. proportionate to our shareholding in it. Our Company holds 30.42% of the outstanding equity share capital of Tulip Star Hotels Ltd. We had a share of profits of Rs.87 mn for the Fiscal 2007 as against Rs.0.46 mn for the Fiscal 2006.

#### ***Group Profits After Tax***

Our 'Group Profits After Tax' was Rs.297 mn in Fiscal 2007, i.e. 31% of our operating revenues, vis-a-vis Rs.174 mn in Fiscal 2006 after considering the share of profit / (loss) from our Associates for the fiscal.

#### **Review of Financial Position**

##### ***Fixed Assets, Capital Work In Progress & Advances and Goodwill***

Our consolidated Gross Block as on March 31, 2007 stood at Rs.288 mn vis-a-vis Rs.199 mn as on March 31, 2006. Our Net Block of Fixed Assets (after the charge of depreciation) stood at Rs.145 mn as on March 31, 2007. The increase is primarily attributable to the additions of 'Computers and Printers' and 'Softwares' during the fiscal. Besides, our Fixed Assets includes electrical installations and fittings, office equipments, furniture and fixtures, leasehold improvements and vehicles.

Our CWIP (including Capital Advances) as on March 31, 2007 was Rs.6 mn and our Goodwill on Consolidation for the Fiscal 2007 was Rs.96 mn.

### **Investments**

Our 'Investments' as on March 31, 2007 were valued at Rs.531 mn. Our investment (quoted) in Associates stood at Rs.14 mn and Current Investments aggregated to Rs.330 mn as at the end of this fiscal.

### **Current Assets**

As at the end of Fiscal 2007, the total Current Assets stood at Rs.1,966 mn vis-a-vis Rs.1704 mn as at the end of the previous fiscal. Our standalone Current Assets stood at Rs.1,858 mn as at the end of Fiscal 2007.

Sundry Debtors was Rs.765 mn accounting for 39% and Loans and Advances was Rs.989 mn accounting for 50% of our consolidated Current Assets as on March 31, 2007. Debtors increased from Rs.473 mn as on March 31, 2006. The increase in debtors is pursuant to increase in volume of our overall business. Loans and Advances increased from Rs.895 mn as on March 31, 2006. The increase in Loans and Advances mainly comprised of the Advance Income Tax (including FBT and TDS) of Rs.203 mn.

The rest of Current Assets constitutes of Cash and Bank Balances Rs.192 mn and Inventories worth Rs.19 mn as on March 31, 2007. Inventories represented the stock of foreign currency and pertained to our standalone entity.

### **Current Liabilities and Provisions**

Our 'Current Liabilities and Provisions' stood at Rs.1,354 mn as on March 31, 2007 comprising of Current Liabilities of Rs.1,077 mn and Provisions to the tune of Rs.277 mn vis-a-vis Rs.805 mn and Rs.164 mn respectively that as at the end of the previous year. Previous fiscal's Current Liabilities and Provisions were Rs.969 mn. Current Liabilities primarily consists of Trade Creditors, Other Liabilities and Book Overdraft. Provisions were made for Direct Taxes, Fringe Benefit Tax, Leave Encashment and Gratuity and for Proposed Dividend (including Tax).

Current Assets Ratio, when measured for the consolidated balances as at the end of Fiscal 2007 stood at 1.45 times.

### **Non-Current Liabilities**

'Non-Current Liabilities' consists of Secured Loans and Unsecured Loans. Our 'Non-Current Liabilities' reduced to Rs.572 mn as on March 31, 2007 from Rs. 643 mn as on March 31, 2006. Of the total (Fiscal 2007), Secured Loans consisted of Term Loans from Banks Rs.272 mn and Unsecured Loans consisted of Non-convertible Debentures issued to the tune of Rs.250 mn and Inter-Corporate Deposits Rs.50 mn. We issued Non-Convertible Debentures during the fiscal. We had Inter-Corporate Deposits of Rs.186 mn and Bank Overdraft of Rs.163 mn as at the end of the previous fiscal.

### **Net Worth**

Our Net Worth as on March 31, 2007 was Rs. 829 mn as against Rs.536 mn as on March 31, 2006. The increase was on account of profits earned during this fiscal.

Debt Equity Ratio, as measured on consolidated financial statements, was 0.69:1 as on March 31, 2007

### **Off-Balance Sheet Items**

<b>Particulars</b>	<b>As On March 31, 2007 (Rs. in Millions)</b>
a. Guarantees by Banks	9.11
b. Claims against the Company not acknowledged as debts	35.89
c. Disputed Income Tax Demands (of which Advance Payments made Rs.7.66 mn)	35.66



## Liquidity and Cash Flow:

### Net Consolidated Cash Flows as Restated

(In Rupees Million)

Particulars	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007
Net cash from (used in) Operating Activities	-958.31	-139.38	224.46
Net cash from (used in) Investing Activities	-1384.17	-86.38	-295.36
Net cash from (used in) Financing Activities	2037.31	380.73	-130.45
<b>Net increase in Cash &amp; Cash Equivalents</b>	<b>-305.16</b>	<b>154.97</b>	<b>-201.35</b>
<i>Add: on acquisition of Subsidiaries</i>	<i>443.04</i>	<i>231.61</i>	-
<b>Balance of Cash &amp; Cash Equivalents</b>	<b>618.68</b>	<b>480.81</b>	<b>94.22</b>

#### ❖ Cash Flows from Operating Activities

Our cash flow from operations decreased from Rs. 224.46 million in 2007 to (Rs. 139.38) million in 2008 and decreased by Rs. 818.93 million from (Rs. 139.38 ) million in 2008 to Rs. (958.31) million in 2009. The decrease in Operating Cash flow was primarily due to increase in business volume resulting in increase of working capital. Advance paid towards acquisition of the East India Travel Company Inc. for Rs. 611.4 million, Advance to the extent of Rs. 22.8 million paid to Royale India Rail Tours Limited.

#### ❖ Cash Flows from Investment Activities

Our cash flows from investing activities have been negative for the past few years on account of amounts spent for investment in subsidiaries. Our cash flow used in investment activities increased in 2009 due to acquisition of Tempo Holidays Pty. Limited, now a subsidiary in Australia, i.e. 83% of the total outflow on account of investments. The balance outflow is mainly on account of Fixed Assets acquired in ordinary course of business.

#### ❖ Cash Flows from Financing Activities

The cash flow in Financing Activity is due to working capital loan taken for funding of working capital and long term loan taken for acquisition of Subsidiaries. Net decrease in Cash & Cash Equivalents which is Rs. 305.5 million is largely on account of the acquisition of Tempo Holidays in Australia as stated above.

## Transactions with Associate Companies and Related Parties

We enter into transactions with companies which are controlled by members of our Promoter Group and other related parties in the ordinary course of our business. For details regarding our related party transactions, please refer the section titled '*Related Party Transactions*' on page 185 of this Red Herring Prospectus.

## Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, foreign exchange risk, inflation and commodity risk. We are exposed to different degrees of these risks in the normal course of our business. We are specifically exposed to market risk from changes in interest rates and foreign exchange fluctuation.

### *Interest Rate Risk*

Our financial results are subject to changes in interest rates, which may affect our debt service obligations. We currently have floating rate indebtedness and also maintain deposits of cash and cash equivalents with banks and other financial institutions and thus are exposed to market risk as a result of changes in interest rates. Moreover, the interest rates on certain

of our indebtedness are subject to periodic resets. Please refer the chapter titled '*Financial Indebtedness*' beginning on page 239 of this Red Herring Prospectus. Upward fluctuations in interest rates would increase the cost of both existing and new debts. It is likely that in the current fiscal year and in future periods our borrowings will rise substantially given our growth plans. We do not currently use any derivative instruments to modify the nature of our exposure to floating rate indebtedness or our deposits so as to manage interest rate risk.

### ***Foreign Exchange Risk***

Fluctuations in exchange rates have direct impact on our business. Strengthening of rupee may increase the number of outbound tourists from India as foreign tours will become relatively cheaper. However, at the same time it may affect inbound tourism as travelling to India would become relatively expensive and vice-versa

We report our financial results in Indian rupees, while portions of our total income and expenses are denominated, generated or incurred in currencies other than Indian rupees, such as U.S. Dollars. To the extent that our income and expenditures are not denominated in Indian rupees, exchange rate fluctuations could affect the amount of income and expenditure we record. Any depreciation of the rupee against the currency in which we have an exposure will increase the rupee costs to us of servicing and repaying our expenditure and indebtedness.

The revenues of our overseas subsidiaries viz., that in UK are in Pounds, in Japan are in Yen, of Australia in AUD and India Inbound revenues are in USD, Euro and GBP. There is no exchange risk as we hedge our currency risk in all areas. All outbound tours are charged to the client in the currency that is paid to the contractors. There may be an effect on the profitability on the company as the company earns profits in Pounds, Yen and Rupees. The relevant exchange rate at the time will be prevalent and may decrease or increase the profit. However, our foreign exchange business is affected by exchange fluctuation to the extent of proprietary trading in this area of business.

### ***Inflation***

Although India has experienced fluctuation in inflation rates in recent years, inflation has not had a material impact on our business or results of operation.

### ***Adverse Events***

There have been no adverse events affecting the operations of our Company occurring within one year prior to the date of this Red Herring Prospectus with SEBI.

### **Information required as per Item (2)(IX)(E)(5) of Part A of Schedule VIII to the SEBI Regulations:**

#### **An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

#### **1. Unusual or infrequent events or transactions**

Except for the following transactions, there have been no unusual or infrequent transactions that have taken place during the last three years:

- The Company received an agreed amount of Rs. 84.85 million (before tax) on relinquishment of its Tenancy Rights in respect of an immovable property in the financial year 2005-06.

#### **2. 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 chapter titled 'Risk Factors' beginning on page xv and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page 218 of this Red Herring Prospectus.

#### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as described in the section titled ‘Risk Factors’ beginning on page xv of this Red Herring Prospectus and as described under this chapter, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

#### **4. Future changes in relationship between costs and income**

Other than as described in the section titled ‘Risk Factors’ beginning on page xv of this Red Herring Prospectus and as described under this Chapter, to our knowledge there are no future relationship between costs and income that have or had or are expected to have a material adverse impact on our operations and finances.

#### **5. 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**

Our increases in net sales are due to increase in volumes and commission.

#### **6. Total turnover of each major industry segment in which our Company operates**

We operate only in one segment, namely Tours and Travel. Relevant published data, as available, for the Industry Turnover has been included in the section entitled ‘Industry Overview’ beginning on page 54 of this Red Herring Prospectus.

#### **7. Status of any publicly announced new products or business segment**

Other than as described in this Red Herring Prospectus, we do not have any new products or business segments.

#### **8. Seasonality of Business**

Tourism industry has seasonality in its operations. The Outbound Tourism is typically concentrated more in the first half of the year while the Inbound Tourism is typically concentrated more in the second half of the year. The statistics of the last 5 years of Foreign Tourist Arrivals in India indicates that the period of October – March witnessed more foreign tourists arriving to India than the period of April – September. There are several factors for its nature of seasonality including climatic conditions, festival occasions, events, etc.

#### **9. Any significant dependence on a single or few suppliers or customers**

We deal with various Airlines, Hotels, Transporters and other suppliers and we are not under threat from any excessive dependence on any single supplier. We do not have any dependence on any single customer or a set of customers for our business.

#### **10. Competitive Conditions**

We believe that we can sustain any pressure from our direct competitors. Travel business in India is highly fragmented with presence of many regional, local and unorganized sector players. There are different players that compete with us in various market segments. Hence reliable/verifiable data for a comprehensive analysis of the competitive scenario is not available. However, 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 the competition.

#### **11. Our Obligation towards our Principal Agent**

We operate through a network of agents spread across the globe. We arrange for travel, accommodation, sightseeing etc. for the clients booking through these agents. We have an obligation towards our principal agent to safeguard their business interest. Any sub-performance/non-performance on our part could result into high retentions and refunds, which may affect the profitability of our company. Thus, proper monitoring of execution of our business obligation, maintenance of backup support in case of any breakdown in the system etc. becomes important.

## FINANCIAL INDEBTEDNESS

We the Statutory Auditor for the captioned Company hereby certify that as on 30<sup>th</sup> September 2009, the Financial Indebtedness of the Company is as follows:

Agreement with Lender	Nature of Borrowing/ Debt	Amount Sanctioned (Rs. In Millions)	Amount Outstanding (Rs. In Millions)	Repayment	Security
Working Capital Consortium Agreement dated 26 December 2008 between the Company and State Bank of Patiala and State Bank of India	Working Capital Facilities	500.00	41.13		<u>Primary:</u> 1st charge on the current assets of Company (excluding credit card receivables) on pari passu basis with SBOP.
	Term Loan for takeover/pay off the existing loans, creation of furnitures and fixtures and for general corporate purposes	170.80	44.06	Rs.4.2 Million quarterly instalment from January 2006 to April 2010  Rs.1.667 Million equal monthly instalment from April 2006 to March 2011	<u>Collateral :</u> -Residual Charges on all primary and collateral securities as listed below available for term loans of State Bank of Patiala to be shared on pari passu basis with state bank of India. Prior charge to be with state bank of Patiala for its existing term loans  -Pledge of 14,02,500 no. of shares of Tulip Star Hotels Limited.  Properties of Company -Flat no.2, Kanti Apartments, Bandra west, Mumbai.  -J 65, 6 <sup>th</sup> Floor, Kodihally village, Bangalore.  - GH04, GNIDA, Noida (UP).  -Flat no.9 Southlands Mumbai belonging to sneh sadan graphics pvt ltd  -Office premises no.10 to 12 at Cecil Court Mumbai belonging to Sneh sadan Graphics pvt ltd.
	Non Fund Based Facilities	20.00	14.06		-office premises no.13 to

					<p>15 at Cecil Court Mumbai belonging to Urrshila Kerkar.</p> <p>Personal Guarantee :- Ajay Ajit Peter Kerkar Urrshila Kerkar</p> <p>Guarantors from the respective owners to the extent of securities being offered as equitable mortgage of properties, which do not belong to company.</p>
Letter of Hypothecation dated April 27, 2009 between the Company and Allahabad Bank	Working Capital Term Loan for the Company's long term working capital requirements, repayment of its existing dues with Axis Bank and other General Corporate Purposes	500	474.68	60 monthly instalments commencing from 30 <sup>th</sup> April 2009	<p>First charge on all credit card receivables of the Company, present and future, through "escrow" account;</p> <p>Second charge on all current assets, present and future.</p> <p>Personal Guarantee :- Ajay Ajit Peter Kerkar Urrshila Kerkar</p>
Agreement of Hypothecation dated June 17, 2009 between the Company and Central Bank of India	Working Capital Term Loan for long-term working capital requirements and general corporate purposes.	500	479.82	60 equal monthly instalments commencing from July 2009	<p>Primarily by way of first charge pari passu basis over credit card receivables of the Company through escrow account mechanism, which is presently maintained with Allahabad Bank and collaterally by way of second charge pari passu hypothecation charge on the current assets of the Company along with Allahabad Bank.</p> <p>Personal Guarantee :- Ajay Ajit Peter Kerkar Urrshila Kerkar</p>
Agreement dated July 28, 2009 between the Company and UCO Bank	Short Term Loan for meeting the advance booking of business	200	200	Bullet repayment at the end of the 12 <sup>th</sup> Month	Personal Guarantee of Ajay Ajit Peter Kerkar and Urrshila Kerkar

	travel, leisure sales to Corporate Clients  Term loan for paying advance lease rent for Rail Joint Venture Company	140	140	Repayable in 5 annual instalments after a moratorium of 1 year	Pledge of 50% shareholding of the Rail JV Company.  Personal Guarantee of Ajay Ajit Peter Kerkar and Urrshila Kerkar
Composite Hypothecation deed dated 27 <sup>th</sup> September 2009 between the Company and Axis Bank	Purchase of movable fixed assets for office premises and general corporate purposes-incurring of expenditures relating to marketing, advertisements and business promotions	200	100	Repayment in 20 equal quarterly instalments of Rs.1 Crore each (First instalment after 3 months from the date of first disbursement)	Pari Passu first charge on the movable and immovable fixed assets of the Company.  Second charge on the current assets of the Company i.e. stock of foreign currency and receivables (excluding credit card receivables) Second charge by way of pledge of 14,02,500 shares of Tulip Star Hotels Limited Second charge on properties belonging to Directors, Group Concerns.  Personal Guarantee of Ajay Ajit Peter Kerkar and Urrshila Kerkar  Corporate Guarantee of Sneh Sadan Graphic Services Private Limited
Term Loan Agreement dated 23 <sup>rd</sup> September 2009 between the Company and The Bank of Rajasthan Ltd	Short Term Loan to meet the mismatch of the Cash flow	150	150	4 Monthly instalments of Rs.375 Lacs each at the end of the 7 <sup>th</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> and 10 <sup>th</sup> Month from the date of disbursement	Personal Guarantee of Ajay Ajit Peter Kerkar

**Details of Vehicle Loan are as follows:**

<b>Total No. of loans</b>	<b>Amount Sanctioned (Rs. In Millions)</b>	<b>Amount Outstanding (Rs. In Millions)</b>
44 (Forty Four)	27.05	19.39

**Unsecured Loans of the Company:**

<b>Unsecured Loan</b>	<b>Amount Sanctioned (Rs. In Millions)</b>	<b>Amount Outstanding (Rs. In Millions)</b>
Non-Convertible Debentures	1250	1250

**List of Non convertible Debentures**

<b>Name of the Lender:</b>	LIC Mutual Fund
<b>Amount of Loan:</b>	Rs.1,250 Mn.
<b>Nature of Instrument:</b>	Redeemable and Non-Convertible Debentures
<b>Interest Payment:</b>	Payable on Maturity (for details on rate of interest refer the table below)
<b>Purpose of Loan:</b>	Working Capital

<b>No. of Debentures (FV of Rs.100/-)</b>	<b>Amount (Rs. Mn)</b>	<b>Date of Allotment</b>	<b>Date of Maturity</b>	<b>Period</b>	<b>Particulars of Interest</b>
2,000,000	200	8 <sup>th</sup> April 2009	5 <sup>th</sup> Oct 2009	180 days	8% p.a.
2,500,000	250	19 <sup>th</sup> May 2009	13 <sup>th</sup> Nov 2009	178 days	7.5% p.a.
1,000,000	100	30 <sup>th</sup> Jan 2009	29 <sup>th</sup> Jan 2010	364 days	MIBOR +800 basis point with floor of 10.95% p.a. and cap of 11% p.a.
2,500,000	250	2 <sup>nd</sup> Feb 2009	29 <sup>th</sup> Jan 2010	361 days	MIBOR +800 basis point with floor of 10.95% p.a. and cap of 11% p.a.
2,000,000	200	20 <sup>th</sup> Apr 2009	19 <sup>th</sup> Apr 2010	364 days	MIBOR +800 basis point with floor of 8.95% p.a. and cap of 9% p.a.
1,800,000	180	4 <sup>th</sup> Jun 2009	2 <sup>nd</sup> Jun 2010	363 days	MIBOR +700 basis point with floor of 7.90% p.a. and cap of 8% p.a.
700,000	70	3 <sup>rd</sup> Jul 2009	2 <sup>nd</sup> Jul 2010	364 days	MIBOR +700 Basis Point with floor of 7.70% p.a. and cap of 7.75% p.a.
<b>Total</b>	<b>1,250</b>				

*Note: All of the above Debentures are secured through Personal Guarantee of Mr. Ajay Ajit Peter Kerkar and Post Dated Cheques for Principal and Interest.*

**Restrictive Covenants under the lenders' agreements:**

The financing agreements with our lenders contain restrictive covenants that require us to maintain certain financial ratios and seek the prior permission of these banks/financial institutions for various activities, including, inter alia:

- undertaking or formulating any scheme of any acquisition, merger or reconstruction;
- changing the capital structure;
- undertaking capital expenditure;
- undertaking guarantee obligation on behalf of other entity, extending loans/advancements or make investments,

- incurring further indebtedness;
- any restructuring, charging / selling/ transferring or disposing assets of the Company in any manner including by way of lien, hypothecation, mortgage, pledge or other encumbrance whatsoever on any of the properties, assets, actionable claims of the Company which constitute securities in favour of other entities, nor create any security ranking pari passu with or subject to the security created;
- declaring or paying any dividends including in excess of profit for the relative year if any instalment(s) on interest on term loans is in arrears;
- changing the ownership or management of the Company;
- charging its title documents or creating any form of additional charge;
- enlarging the scope of activities already undertaken by the Company;
- investing in the deposits, loans or share capital of any other concern or varying the shareholdings of the Directors, Principal shareholders and Promoters; and
- the Borrower shall not receive, compound or realize any of the hypothecated goods/debts nor do anything whereby the recovery of the same may be impeded, delayed or prevented.

The lenders also have certain affirmative rights available to them under the loan agreements such as, inter alia:

- the power to appoint /remove two nominee Directors from the Board of Directors (who shall not be liable to retire by rotation or possess any share qualification);
- the right to appoint their nominee as Receiver without resort to a court of law to take possession of the properties of the Company held/ to be held by the lender as security for the obligation;
- the lender shall be free to suitably modify the covenants detailed above whenever considered necessary with a notice period of 30 days and shall also be appointed as the Attorney of the Borrower with respect to the security.

The Loans have been applied for the purpose for which the same were raised.

The above certificate is based on the information and explanations provided to us by the Management. The above mentioned fact is true & factual to the best of our knowledge.

For **Chaturvedi and Shah**

**Chartered Accountants**

**Amit Chaturvedi**

**Partner**

**Membership No: 103141**

**Date: 26<sup>th</sup> October 2009**



## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

1. Save as described herein:
  - a. neither the Company, any director or promoter of our Company, any subsidiary of our Company, or any person/entity forming part of our promoter group, is party to any ongoing proceedings before any statutory or regulatory authority, nor are any show cause notices pending against any of them;
  - b. neither our Company, nor any director of our Company was party to any past proceedings where any penalty was imposed;
  - c. there have been no defaults to financial institutions/ banks for non-payment of statutory dues and dues towards instrument holders like debenture holders, fixed deposits, and arrears on cumulative preference shares by the Promoters of our Company and the companies/ firms promoted by the Promoters of our Company;
  - d. our Company has not failed to pay any statutory dues; and
  - e. no disciplinary action has been taken against the Promoters of our Company by the Securities and Exchange Board of India or any Stock Exchange in India.
  - f. none of the names of the directors of our Company have appeared on the RBI's defaulters list.
  - g. there are no small scale creditors to whom our Company owes a sum exceeding Rupees 0.1 Million which is outstanding for more than thirty days.
  - h. except as disclosed in this Red Herring Prospectus, the Company does not have any contingent liabilities. For further details refer to the section "Financial Statements" at page 171 of this Red Herring Prospectus.

The details of the relevant proceedings have been classified as follows:

- A. Proceedings initiated by the Company**
- B. Recovery Suits and Section 138 proceedings initiated by the Company**
- C. Proceedings initiated against the Company**
- D. Past Civil Proceedings, wherein compensation was provided by the Company, which are either disposed off or currently pending in appeal**
- E. Consumer complaints pending against the Company**
- F. Oppositions under Intellectual Property Rights**
- G. Civil proceedings initiated by/against Individual Promoters**
- H. Civil Proceedings by Corporate Promoter, Liz Investments**
- I. Proceedings initiated by Far Pavilions Tours and Travel Pvt. Ltd, part of our Promoter Group Company**
- J. Consumer Proceedings initiated against Ezeego One Travel and Tours Limited, ("Ezeego")**
- K. Proceeding initiated by/against Tulip Group, part of our Promoter Group, comprising of Tulip Star Hotels Limited, V Hotels Limited, Tulip Hotels Private Limited, ABK Enterprises Private Limited, and Tulip Star Leisure & Health Resorts Limited.**
- L. Proceedings initiated by/against Mr. A. B Kerkar, part of our Promoter group**
- M. Proceedings initiated against Mrs. Elizabeth Kerkar, part of our Promoter Group**
- N. Show cause Notices against Promoters and Promoter Group entities.**
- O. Past Proceeding wherein a penalty was imposed**

- A. Proceedings by the Company**

(i) Civil Proceedings

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. in millions approx.)	Current Status
1.	The Monopoly and Restrictive Trade Practices Commission, New Delhi Complaint No. 31 & 44/2000	Shree Raj Travels and Tours Ltd. (“Respondent”)	<p>The Company has filed the complaint against Respondent alleging that an advertisement published by the Respondent constituted an unfair and restrictive trade practice under Section 36 of the Monopoly and Restrictive Trade Practices Act, 1969.</p> <p>The impugned advertisement stated that the Respondent’s tours were cheaper than ‘other tour operators’. The Company stated that the aforementioned term allegedly refers to its operated tours and the respondent’s false and misleading claims are detrimental to the Company’s business and interest.</p>	N.A.	Pending hearing and final disposal.
2.	The Monopoly and Restrictive Trade Practices Commission, New Delhi Complaint UTPE 55/2007	Shree Raj Travels & Tours Ltd. (“Respondent”)	<p>The complaint has been filed by our Company stating that an advertisement published by the Respondent, comparing their tour costs with our Company’s was false and constituted a restrictive and unfair trade practice.</p> <p>The Respondent has shown a tabular representation of the costs of different travel agents including the Company in the advertisement and has presented their costs as lower than other tour operators’.</p>	N.A.	Pending hearing and final disposal.

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. in millions approx.)	Current Status
3.	Senior Civil Judge, City Civil Court Hyderabad  O.S.No. 769 of 2002	SN Travels and Mr. Ravindra	The Court vide its decree dated 23 March 2004 directed the defendants to pay to C&K a sum of Rs. 5,73,592/- alongwith interest @ 6% on Rs. 3,96,413/- from the date of suit till realization.	0.57	The defendants have preferred a revision petition before the High Court which is pending hearing and final disposal.
4.	High Court, Mumbai Suit No. 854 / 2004	Thomas Cook (India) Ltd. ("Respondent")	Our Company has filed this defamation suit with respect to an advertisement filed by the Respondent in 2001, which allegedly accused the Company of hiding costs for their European tours and that the Company was deceiving customers covering free holidays offered through hidden costs.  Further, a complaint had been filed by the Company before the Monopoly and Restrictive Trade Practices Commission in 2001, where the commission had opined that a prima facie case of unfair trade practice had been made out against the Respondent.	750	The matter is pending hearing and final disposal.
5.	High Court Of Allahabad  Writ Petition No. 70290/2006	State Of U.P through Principal Secretary And Greater New Okhla Industrial Development Authority. (Greater NOIDA)  ("Respondent")	Vide a Lease Deed dated 16 <sup>th</sup> February, 1999, ("Deed") a plot of land was allotted to the company by the Greater Noida Authority for the purpose of construction of dwelling units for the employees of the Company. However, due to several employees whose names were forwarded to the Authority as prospective allottee ceased to be in the	NA	Pending final disposal.

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. in millions approx.)	Current Status
			<p>employment of the Company, the construction of the proposed units was delayed beyond the limit set by the Deed. Subsequently, a show cause notice was issued by the Authority seeking explanation as to why the lease should not be cancelled. The Company through several letters and personal hearing pointed out that in light of the fact that the entire lease amount has been duly paid by the Company and the failure to construct was due to factors beyond its control, the Authority vide letter order dated 15<sup>th</sup> November 2006 cancelled the Deed and forfeited 20% of the amount paid thereof. The Company preferred a Writ Petition in the High Court of Judicature at Allahabad being W.P. No 70290 of 2006 challenging the order of the Authority, and the High Court was pleased to admit the writ and stay the operation of the impugned order dated 15<sup>th</sup> November 2006.</p> <p>The company has filed a supplementary affidavit dated July 2, 2009.</p>		
6.	High Court Of Bombay  Special Suit No. 3345/2006	Bharat Petroleum Corporation Limited and Thomas Cook India Ltd.  (“Defendants”)	This proceeding is filed as the Defendants were allegedly using the slogan “DUNIYA DEKHO WITH PETRO CARD” which was in conflict with and infringed upon our Company’s brand mark “DUNIYA DEKHO”, which was registered in	NA	Pending hearing and final disposal.

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. in millions approx.)	Current Status
			<p>our Company's name.</p> <p>Our Company thereon filed a suit before the single bench for injunction restraining the Defendants from using the aforesaid slogan which was denied vide the order dated October 20, 2006. Our Company thereon filed an appeal against the abovementioned order before the division bench of the High Court, which was also dismissed vide order dated December 4, 2006.</p> <p>Aggrieved by this order, our Company has filed the present suit before the Divisional Bench seeking relief.</p>		

**(ii) Criminal Proceedings**

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. in millions-approx.)	Current Status
1.	<p>III Additional Chief Metropolitan Magistrate, Nampally</p> <p>C.C. No. 1100 of 2005.</p>	<p>1) Tavis International, Hyderabad.</p> <p>2) Mr. D Venkateshwar Hyderabad ("Accused")</p>	<p>Our Company has filed this complaint under section 420 and 506 of the Indian Penal Code, 1860.</p> <p>Mr. D Venkateshwara Rao, ("Accused 2") alleging to be the director/partner of the M/s. Tavis International, ("Accused 1") approached our Company on 15 May, 2005, produced his passport bearing No. 56238173 and requested for purchase of Euros</p>	0.38	Pending hearing and final disposal.

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. in millions-approx.)	Current Status
			6000 and 500 UK Pounds, (which were approximately equivalent to Rs. 0.38 Million).  The cheque issued by the Accused for the abovementioned amount was dishonoured due to insufficiency of funds, and the same was intimated to our Company on May 24, 2005.		
2.	Metropolitan Magistrate, 23 <sup>rd</sup> Court at Esplanade, Mumbai  C.C. No. 378/SW/2005	Abdul G Faridi (“Accused”)	This complaint has been filed under sections 403 and 406 of the Indian Penal Code wherein our Company has alleged that the Accused, who is a former employee, whilst in the employment of the Company has caused wrongful loss to the Company by acting beyond his scope of authority and the policy of the Company.	NA	Pending hearing and final disposal.
3.	Chief Metropolitan Magistrate, Jaipur  Case No.149, 249 of 2009	Mohit Sharma (“Accused”)	This complaint under section 403 and 630 of the Indian Penal Code.	N.A.	Pending hearing and final disposal.
4.	Chief Metropolitan Magistrate, Kolkata  Case No. L- 12042 of 2009	Ms Sonika Mata and Suman Bhattacharjee (“Accused”)	The Company has filed this complaint under Sections 406, 418 and 420 of the Indian Penal Code.  The Company has alleged that the accused had executed a Bond with the Company and had in a fraudulent manner left the services of the Company before the expiry period of 2 (two) years which was in violation of the said Bond.	N.A.	The matter is pending hearing and final disposal.

(iii) **Income Tax Proceedings**

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. In millions- approx.)	Current Status
1.	Income Tax Appellate Tribunal (“ITAT”)  Appeal No 982 M/07	Income Tax Officer (“Respondent”)	<p>This appeal is filed against the order passed by the Commissioner of Income Tax (Appeals) dated December 21, 2006</p> <p>The Assessing Officer whilst assessing the income tax return of the Company for the assessment year 2002-03 made a demand for Rs 3.1 Million</p> <p>The Company challenged the said assessment order before Commissioner of Income Tax (Appeals), who partly allowed the claim.</p> <p>While the Company has challenged the above mentioned order before ITAT, the Company has paid the demand money of Rs.3.1 million.</p>	3.1	Pending hearing and final disposal.
2.	Commissioner of Income Tax (Appeals)	Asst. Commissioner of Income Tax, Range 1(1), Mumbai	<p>This appeal is filed against the order passed by the Asst. Commissioner of Income Tax dated 31 March 2008.</p> <p>The Asst. Commissioner of Income Tax, vide its order dated 31 March 2008, levied a penalty of Rs.100,000/-, and stated that the Company had filed its return of income for the AY 2002-2003 on 31 October 2002, declaring a total loss of Rs.10,68,86,630/-, the Assessing Officer had initiated the penalty proceedings while issuing the assessing order dated 24 March 2005, thereafter the Company had preferred an appeal before</p>	0.1 million	Pending hearing and final disposal.

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. In millions-approx.)	Current Status
			<p>the CIT(A) as a result of which the penalty proceedings were in abeyance.</p> <p>While the Company has preferred an appeal before the CITI (A), The Company has paid the demand money of Rs.0.1 million.</p>		
3.	Commissioner of Wealth Tax (Appeals)	Asst. Commissioner of Wealth Tax, Range 1(1), Mumbai	<p>This appeal is filed against the order passed by the Asst. Commissioner of Wealth Tax dated 31 August 2007.</p> <p>The Asst. Commissioner of Wealth Tax vide his order dated 31 August 2007 assessed the net wealth of the Company for the AY 2000-2001 at Rs.62,06,098/- as against the returned wealth of Rs.14,38,000/-. While the Company has preferred this appeal as against the said order, the Company has paid the demand money of Rs.0.09 million.</p>	0.9	Pending hearing and final disposal.
4.	Income Tax Appellate Tribunal ("ITAT")  Appeal No 3751 M/07	Income Tax Officer ("Respondent")	<p>This appeal is filed against the order passed by the Commissioner of Income Tax (Appeals) dated March 30, 2007</p> <p>The Assessing Officer while assessing the income tax return of the Company for the assessment year 2003-04 made a demand for Rs 27.85Million.</p> <p>The Company challenged the said assessment order before Commissioner of Income Tax (Appeals), who partially allowed the claim.</p>	27.85	Pending hearing and final disposal.



Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. In millions-approx.)	Current Status
			The Company has challenged the above mentioned order before ITAT.		
5.	Commissioner of Income Tax (Appeals)  Appeal No. CIT (A)-I/IT/38/09-10	Dy. Commissioner of Income Tax, Mumbai	<p>This appeal is filed against the order passed by the Dy. Commissioner of Income Tax dated 31 March 2009.</p> <p>The Dy. Commissioner of Income Tax, vide its order dated 31 March 2009, levied a penalty of Rs.23,66,733/-.</p> <p>The said order stated that the Company had filed its return of income for the AY 2003-2004 on 1 December 2003, declaring a total loss of Rs.1,16,05,380/-. The Assessing Officer had assessed the income at Rs.6,10,77,830/- on 27 March 2006 and had initiated penalty proceedings.</p> <p>The Company has preferred an appeal before the CIT(A), Mumbai.</p>	2.4	Pending hearing and final disposal.
6.	Commissioner of Income Tax (Appeals)	Dy. Commissioner of Income Tax, Mumbai	<p>This appeal is filed against the order passed by the Dy. Commissioner of Income Tax dated 31 March 2009.</p> <p>The Dy. Commissioner of Income Tax, vide its order dated 31 March 2009, levied a penalty of Rs.1,00,000/- for the AY 2003-2004. The said order stated that the audit report submitted by the Company was not in accordance with law.</p> <p>The Company has</p>	0.1	Pending hearing and final disposal.

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. In millions-approx.)	Current Status
			preferred an appeal before the CIT(A), Mumbai.		
7.	Commissioner of Income Tax (Appeals) (“CIT (A)”)  Appeal No. CIT (A)XIX/ROT-95/06-07	Income Tax Officer (“Respondent”)	This appeal is filed against the assessment order dated December 26, 2006 made by the assessment officer for the assessment year 2004-05.  The Assessing Officer (‘AO’), while assessing the income made a demand for Rs 35.66 Million and the same has been challenged by the Company before the CIT (A).  The AO has adjusted refund of a sum of Rs.15.69 million, Rs. 3.43 million, towards the demand money, vide his order dated 28 March 2007 & 20 February 2007.  Our Company has made a payment of Rs.4.23 million.	12.32	Pending hearing and final disposal.
8.	Commissioner of Income Tax (Appeals) (“CIT (A)”)	Dy. Commissioner of Income Tax, Mumbai.	This appeal is filed against the assessment order dated December 31, 2008 made by the assessment officer for the assessment year 2005-06.  The Assessing Officer (“AO”), while assessing the income made a demand for Rs 2,51,58,000/- and the same has been challenged by the Company before the CIT (A).	25.1	Pending hearing and final disposal.
9.	Commissioner of Income Tax (Appeals)	Asst. Commissioner of Income Tax, Range 1(1), Mumbai	This appeal is filed against the order passed by the Asst. Commissioner of Income Tax dated 31 March 2008.  the Asst. Commissioner	4.8	Pending hearing and final disposal.

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. In millions-approx.)	Current Status
			<p>of Income Tax, vide its order dated 31 March 2008, levied a penalty of Rs.48,49,512/-, under section 271 (1)(c), for the AY 2002-2003, towards the original demand, of Rs.3.1 million made by the Assessing Officer vide its order dated 24 March 2005.</p> <p>While C&amp;K has preferred an appeal before the CIT (A), C&amp;K has paid a part of the demand money of Rs.2.5 million.</p>		
10.	<p>Income Tax Appellate Tribunal, Mumbai.</p> <p>Appeal No.4165/M/2007</p>		<p>This appeal is filed against the order passed by the Commissioner of Income Tax (Appeals) dated March 30, 2007</p> <p>This appeal is related to the Appeal No. 3751/M/07, for the AY 2003-2004 .</p> <p>The ITO has challenged the order, dated March 30, 2007, of the CIT(A), which partly allowed the claim.</p>	N.A.	Pending hearing and final disposal.

(iv) **Winding-up Proceedings by the Company**

<b>Sr. No</b>	<b>Forum</b>	<b>Filed Against</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In millions- approx.)</b>	<b>Current Status</b>
1.	High Court, Bombay  Company Petition No. 452/2007  Company Petition No. 461/2007	1) German Ink Product Pvt. Ltd. 2) Vishhudha Rasayanee Pvt. Ltd. ("Respondents")	<p>Our Company has filed this petition for winding up of German Ink Product Pvt. Ltd and Vishhudha Rasayanee Pvt. Ltd. Under Sections 433(e) of the Companies Act, 1956 on account of indebtedness to the Company amounting to Rs. 0.58 Million, together with the interest thereon @18% p.a.</p> <p>The Company served statutory notices under Sections 433 and 434 of the Companies Act for recovery of above-mentioned debt, to which the Respondents have not replied.</p> <p>The Company has prayed for the appointment of Official Liquidators which, if not appointed, may cause great loss to the creditors. The Company has also prayed for interim relief in the form of injunction preventing the Respondents from disposing of or selling their property.</p>	1.16	The High Court at Bombay vide its order dated 23 August 2007 has directed the Respondents to deposit the sum of 0.58 million with the Prothonotary & Senior Master of the High Court, failing which the company petitions shall stand admitted.
2.	High Court, Bombay  Company Petition No. 480/2003	Plexus Technologies Limited  ("Respondent")	<p>Our Company has filed this winding up petition against Plexus Technologies Limited, under Sections 433 and 434 of the Companies Act, 1956 on account of indebtedness to the Company amounting to Rs. 0.30 Million, inclusive of interest @ 15% p.a.</p> <p>The Company has duly</p>	0.30	Pending hearing and final disposal.

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. In millions-approx.)	Current Status
			<p>served the statutory notices under Sections. 433 &amp; 434 of the Companies Act and has received no reply so far.</p> <p>The Company has prayed for the winding up of the Respondent and the appointment of an official liquidator to take charge of the assets and properties of the Respondent.</p>		

## B. Recovery Suits and Section 138 proceedings initiated by the Company

### (i) Recovery Suits by the Company

There are 4 (four) recovery suits filed by the Company which are pending. The claims under these suits aggregate to approximately Rs. 2.26 million.

Sr. No.	Forum	Filed against	Particulars	Quantum (Rs. In millions)	Current status
1.	<p>Court of Hon'ble Chief Judge, City Civil Court Hyderabad</p> <p>O.S.No. 79 of 2006</p>	Color Chips India Limited	<p>The Company has filed a suit for recovery of money under section 26 of Code of Civil Procedure. The Company and Color chips had entered into a service agreement wherein, on the demand of Color chips, the Company was issuing air tickets and providing services from time to time.</p> <p>The Company has preferred this suit for recovery of the outstanding amount alongwith interest from 26 November 2004 to 31 august 2005.</p>	1.5	Pending hearing and final disposal.
2.	<p>City Civil Court Chennai</p> <p>O.S.No. 4388 of</p>	Paisa Power.com Limited	The Company has filed a suit for recovery of money. The Company and Paisa Power.com	0.4	Pending hearing and final disposal.

Sr. No.	Forum	Filed against	Particulars	Quantum (Rs. In millions)	Current status
	2004		<p>had entered into a Memorandum of Understanding wherein, on the demand of Paisa power.com, the Company was issuing air tickets and providing services from time to time.</p> <p>The Company has preferred this suit for recovery of the outstanding amount alongwith interest from 31 March 2002, on the claimed amount till the date of realization.</p>		
3.	<p>High Court of Bombay</p> <p>Suit No.1671 of 2006</p>	Pradeep Khemka	<p>The Company has filed the present suit for recovery of outstanding dues from the defendants. The Company has alleged that the defendants had booked a tour package for Malaysia and Singapore from the Company and had made a payment of Rs.1,45,800/- only out of the total dues of Rs.2,80,391/-.</p> <p>The Company has filed the present suit for recovery of the outstanding dues along with interest.</p>	0.15	Pending hearing and final disposal.
4.	<p>High Court of Bombay</p> <p>Suit No.1609 of 2006</p>	Gopal Agarwal	<p>The Company has filed the present suit for recovery of outstanding dues from the defendants. The Company has alleged that the defendants had booked a tour package for Malaysia and Singapore from the Company and had made a payment of Rs.60,000/- only out of the total dues of</p>	0.22	Pending hearing and final disposal.

Sr. No.	Forum	Filed against	Particulars	Quantum (Rs. In millions)	Current status
			Rs.2,69,557/-.  The Company has filed the present suit for recovery of the outstanding dues along with interest.		

**(ii) Section 138 proceedings by the Company**

The Company has filed 12 (twelve) complaints before Metropolitan Magistrates under Section 138 of the Negotiable Instruments Act, 1881, for dishonoured cheques. The claims under these proceedings aggregate to approximately Rs. 4.71 Million.

Sr. No.	Forum	Filed against	Particulars	Quantum (Rs. In millions)	Current status
1.	Additional Chief Metropolitan Magistrate Court at New Delhi  CC no 3701 of 2004	Travels21.com and others	The Company has filed this complaint under sections 138 and 141 of the Negotiable Instruments Act, 1881 and 420 of the Indian Penal Code wherein our Company has alleged that the accused has issued cheques amounting to Rs. 2,03,000/-, which have been returned by the bank due to insufficient funds.	0.2	Pending hearing and final disposal.
2.	Court of Metropolitan Magistrate, New Delhi  Case No. 168/1 of 2004	Sanjay Kumar	The Company has filed this complaint under sections 138 wherein our Company has alleged that the accused has issued cheques amounting to Rs. 10,07,831/-, which have been returned by the bank due to insufficient funds.	1	Pending hearing and final disposal.
3.	Court of Metropolitan Magistrate, New Delhi  Case No. 3475 of 2004	Shyamala R & Another	The Company has filed this complaint under sections 138 and 141 of the Negotiable Instruments Act, 1881 and 420 of the Indian Penal Code wherein our Company has alleged that the accused has issued cheques	0.22	Pending hearing and final disposal.

Sr. No.	Forum	Filed against	Particulars	Quantum (Rs. In millions)	Current status
			amounting to Rs. 2,22,884/-, which have been returned by the bank due to insufficient funds.		
4.	Metropolitan Magistrate 23rd Court, Esplanade, Mumbai  C.C No. 2123/SS of 2004	Multipurpose Services Centre Limited and others	The Company has filed this complaint under sections 138 and 141 of the Negotiable Instruments Act, 1881 wherein our Company has alleged that the accused has issued cheques amounting to Rs. 3,97,374/-, which have been returned by the bank due to insufficient funds.	0.4	Pending hearing and final disposal.
5.	Metropolitan Magistrate 23rd Court, Esplanade, Mumbai  Case No. 72/SS of 2004	Joy Jaitha	The Company has filed this complaint under sections 138 of the Negotiable Instruments Act, 1881 wherein our Company has alleged that the accused has issued cheques amounting to Rs. 1,85,400/-, which have been returned by the bank due to insufficient funds.	0.18	Pending hearing and final disposal.
6.	Court of Metropolitan Magistrate, New Delhi	Ranjan Sukhani, Pennywise a unit of Preferred Alliances	The Company has filed this complaint under sections 138 of the Negotiable Instruments Act, 1881 wherein our Company has alleged that the accused has issued cheques amounting to Rs. 3,35,529/-, which have been returned by the bank due to insufficient funds.	0.33	Pending hearing and final disposal.
7.	Additional Chief Metropolitan Magistrate Court at New Delhi  CC no 1464/1 of 2003	Tide Travels Private Limited	The Company has filed this complaint under sections 138 and 141 of the Negotiable Instruments Act, 1881 wherein our Company has alleged that the accused has issued cheques amounting to	0.15	Pending hearing and final disposal.



Sr. No.	Forum	Filed against	Particulars	Quantum (Rs. In millions)	Current status
			Rs. 1,50,000/-, which have been returned by the bank due to insufficient funds.		
8.	XVII Metropolitan Magistrate Court, Chennai  CC no 4013 of 2003	Elof Hanssan (India) Private Limited	This complaint has been filed under section 190 (1) (a) read with section 200 of Code of Criminal Procedure for the offence punishable under sections 138 and 200 of the Negotiable Instruments Act, 1881 wherein our Company has alleged that the accused has issued cheques amounting to Rs. 5,11,560/-, which have been returned by the bank due to insufficient funds.	0.51	Pending hearing and final disposal.
9.	Metropolitan Magistrate Court, 23rd Esplanade, Mumbai  CC no.2238//SS of 2004	SPL Technochem Limited, Mr Hasmukh Seth and Akar Laminators Limited	This complaint has been filed under section 138 read with section 141 of the Negotiable Instruments Act, 1881 wherein our Company has alleged that the accused has issued cheques amounting to Rs. 1,50,642/-, which have been returned by the bank due to insufficient funds.	0.15	Pending hearing and final disposal.
10.	Court of Metropolitan Magistrate, 33rd Court at Mumbai  Case No.1119 of 2006	Manjeet Hotels Private Limited and Mr. Sunil Kukreja	This complaint has been filed under section 138 of the Negotiable Instruments Act, 1881 wherein our Company has alleged that the accused has issued cheques amounting to Rs. 5,00,000/- towards the tour to South Africa booked by the accused through the Complainant, which have been returned by the bank due to due to stop payment instructions by the accused	0.5	Pending hearing and final disposal.
11.	Additional Chief	Omega Merchants &	This complaint has	0.98	Pending hearing and

Sr. No.	Forum	Filed against	Particulars	Quantum (Rs. In millions)	Current status
	Metropolitan Magistrate Court at New Delhi  CC no 646/1 of 2006	Anr	been filed under section 190 (1) (a) read with section 200 of Code of Criminal Procedure for the offence punishable under sections 138 and 200 of the Negotiable Instruments Act, 1881 wherein our Company has alleged that the accused has issued cheques amounting to Rs. 9,80,200/-, which have been returned by the bank due to insufficient funds.		final disposal.
12.	Judicial Magistrate Court, Indore	Frequent Travels and Cargo Private Limited, Jasvinder Walia and Rupali Walia	This complaint has been filed under section 138 read with section 141 of the Negotiable Instruments Act, 1881 wherein our Company has alleged that the accused has issued cheques amounting to Rs. 95,000/-, which have been returned by the bank due to insufficient funds.	0.09	Pending hearing and final disposal.

### C. Proceedings initiated against the Company

#### (i) Civil Proceedings

Sr. No.	Forum	Filed by	Particulars	Quantum (Rs. In millions)	Current status
1.	High Court of Madras  Civil Suit No. 461 of 2003	M/s Tidel Park Limited  ("Plaintiff")	These proceedings are initiated by the Plaintiff for recovery of outstanding dues allegedly owed to the Plaintiff by our Company.  The company had entered into a lease agreement, ("Agreement"), with the	1.28	Pending hearing and final disposal.

Sr. No.	Forum	Filed by	Particulars	Quantum (Rs. In millions)	Current status
			<p>Plaintiff to set up an office in the Tidel Park complex.</p> <p>The Company, however suffered losses and requested the Plaintiff to set-off the monthly dues against the security deposit amounting to Rs. 783,872, which was given by the Company to the Plaintiff at the time of execution of the Agreement and the possession was returned subject to this. The possession was accepted.</p> <p>The Plaintiff however subsequently did not agree to the set-off and has prayed for filed the suit for the payment of outstanding dues and forfeiture of the security deposit.</p>		
2.	<p>Monopolies Restrictive Trade Practices Commission, New Delhi</p> <p>UTPE Complaint No. 08/2006</p>	<p>Kuoni Travels (India) Pvt. Ltd.</p> <p>(“<b>Complainant</b>”)</p>	<p>This complaint is filed in by the Complainant in relation to a full page advertisement published by the Company comparing the services offered by the Company on its Europe tour with those offered by the Complainant and Thomas Cook (India) Ltd.</p> <p>The Complainant has alleged that the advertisement is false and misleading and therefore constitutes an unfair and restrictive trade practice under Section 36 A of the Monopolies and Restrictive Trade Practices Act, 1969.</p>	N.A.	The matter is pending hearing and final disposal.

Sr. No.	Forum	Filed by	Particulars	Quantum (Rs. In millions)	Current status
			The Complainant has also filed an interim application for Ad Interim Stay being I.A. No. 16 of 2006.		
3.	City Civil Court, Calcutta  Suit No. 65/2004	Raghavendra Narayanan  ("Plaintiff")	<p>The suit has been filed by the Plaintiff, who was an executive in the Company, to recover dues allegedly owed to him.</p> <p>The Plaintiff had submitted his resignation citing personal reasons on June 14, 2003 and thereafter allegedly submitted a claim due to him.</p> <p>The Company in its written statement has alleged pleaded that the Plaintiff had wrongly computed the dues owed to him and suit be dismissed.</p>	0.10	The matter is pending hearing and final disposal.
4.	High Court, Bombay  Suit Lodging No. 1899 of 2007	Om Prakash Navani ('Plaintiff')	<p>The Plaintiff, has filed a Civil Suit against (1) Dr. Ajit Baburao Kerkar, (2) Tulip Hotels Pvt. Limited, (3) V Hotels Limited, (4), Tulip Star Hotels Limited, (5) Cox and Kings (India) Limited, (6) Ajay Ajit Peter Kerkar, (7) Urrishila Kerkar, (8) Elizabeth Kerkar, (9) Kalpatharu Resorts Pvt. Limited, (10) Trade Wings Limited, (11) Trade Wings Hotels Limited, and (12) Dr. Shailendra Mittal.</p> <p>The suit has been filed for specific performance of an</p>	1,080	<p>No notice of any application for any interim or ad-interim reliefs has been served on the company till date.</p> <p>The matter is pending hearing and final disposal.</p>

Sr. No.	Forum	Filed by	Particulars	Quantum (Rs. In millions)	Current status
			<p>alleged contract, alleged to have been entered into by the Plaintiff with Defendant No.1 for himself and representing Defendant Nos.2, 4 and 6 to 8 for transfer of 25% of the shareholding of Defendant no. 1 and 6 to 8 either held directly or indirectly in Defendant no. 2 to 5 and Defendant no. 9.</p> <p>In the alternative, the Plaintiff has sought for an order and decree against the Defendant Nos.1 to 8 to pay to the Plaintiff an amount of Rs.1080 Million as compensation and/or damages with interest at 15% stated to be the difference in the value of the alleged contract and the estimated market value of the shares being the subject matter of the alleged agreement between the Plaintiff and Defendant No.1 for himself and representing Defendant Nos. 2, 4 and 6 to 8.</p> <p>Interim and Ad-interim injunctions have been sought in relation to shares owned and held by Defendant Nos.1, 4, 6, 7 and 8 in, inter alia, Defendant No.5.</p> <p>The Plaintiff (pursuant to filing of the said Suit) vide his letter dated 22 August 2007, has raised fresh allegations, alleging</p>		

Sr. No.	Forum	Filed by	Particulars	Quantum (Rs. In millions)	Current status
			that 14,02,500 equity shares of Tulip Star Hotels Limited, long with 4413 duly executed transfer forms in connection therewith. “were deposited with the authorities to fill in the same and get the same transferred whenever required by” the Plaintiff, “in consultation with Mr Ajit B Kerkar”. The said fresh allegations have been refuted by the Company’s solicitors.		
5.	High Court of Delhi, New Delhi  (RFA No. 76 of 2004)	Union of India  (“Appellants”)	The Appellants had filed a civil suit (Suit No. 2278 of 1989), (“Suit”) for recovery of an amount of Rs. 0.44 million against the Company, which was decided in favour of the Company via judgement dated May 23, 2003, (“Judgement”).  Thereafter the Appellants appealed against the Judgment by way of this instant suit wherein they have prayed that records of the Suit be called and the Judgement be set aside.	0.44	The matter is pending hearing and final disposal.
6.	Chief Judicial Officer under the Rajasthan Shop and Establishment Act, 1956. Case No. RSC.8/09	Narendra Singh Rathod	The Petitioner alleges that he was forced to resign on December 15, 2008 and pursuant to which he was asked to hand over the charge on July 4, 2009 which finally terminated his services from the Company. The present complaint is for reinstatement and for	N.A.	Pending hearing and final disposal.

Sr. No.	Forum	Filed by	Particulars	Quantum (Rs. In millions)	Current status
			payment of his dues and salaries in lieu of his termination.		
7.	Court of Small Causes, Bombay  L.E. Suit No. 120/149 of 2008	Turner Morrison Ltd.  ("Petitioner")	The leave and license agreement with the Petitioner expired on 31 January 2008 and 29 February 2008 for the properties, however, the Company continued to use its offices till 1 March 2008 for which the Petitioner wants it to pay mesne profits for that period and recover the premises.  The court has passed an order dated 2 September 2008 wherein both parties have filed consent terms for an interim period.	218.9	Pending hearing and final disposal
8.	High Court of Delhi, Appellate Jurisdiction  R.F.A No. 78 of 2004	Union of India & Anr ("Appellants")	The Appellants had filed a civil suit (Suit No. 58 of 1988), against the Company, which was decided in favour of the Company via judgment dated May 23, 2003, ("Judgment").  Thereafter the Appellants appealed against the Judgment by way of this instant suit wherein they have prayed that records of the Suit be called and the Judgment be set aside.	0.09	The matter is pending hearing and final disposal.

(ii) Criminal Proceedings

Sr. No.	Forum	Filed by	Brief Particulars	Quantum (Rs. In millions-approx.)	Current Status
1.	4 <sup>th</sup> Additional Chief Metropolitan	Purushothama T.	This proceeding is filed under section 200 of the	NA	Pending hearing and final disposal.

Sr. No.	Forum	Filed by	Brief Particulars	Quantum (Rs. In millions-approx.)	Current Status
	Magistrate, Bangalore.  PCR No. 14824/2006		<p>Code of Criminal Procedure to the Additional Chief Metropolitan Magistrate seeking that the police station with jurisdiction be directed to investigate the allegations contained in the complaint.</p> <p>The Complainant has alleged that he had paid an amount of Rs. 0.076 Million, (“Amount”), to one Mr. Harish (Accused No. 3 in the instant complaint) to undertake the European tour organized by our Company. The Complainant was unable to undertake the said tour due to rejection of Visa by the appropriate authorities.</p> <p>The Complainant has further alleged that this amount was not returned to him by our Company and hence the prayed that the local police station be directed to investigate the matter at hand under Section 153 (3) of the Code of Criminal Procedure.</p>		

**(iii) Income Tax Proceedings against the Company:**

Forum	Filed by	Brief Particulars	Quantum (Rs. In millions-approx.)	Current Status
Income Tax Appellate Tribunal, Mumbai.  Appeal No. 1937/M/2007	ITO Mumbai	This appeal is filed against the order passed by the Commissioner of Income Tax (Appeals) dated December 21, 2006	N.A.	Pending hearing and final Disposal.



Forum	Filed by	Brief Particulars	Quantum (Rs. In millions- approx.)	Current Status
		<p>The Appeal is related to the ITAT Appeal No 982 M/07, for the AY 2002-2003.</p> <p>The ITO has challenged the order, dated 21 December 2006, of the CIT(A), which partly allowed the claim.</p>		

**D. Past Civil Proceedings, wherein compensation was provided by the Company, which are either disposed off or currently pending in appeal**

- 1) There are 34 (thirty four) proceedings concerning consumer litigation by the Company appeals with value of claim below Rs 500,000 aggregating to approximately Rs. 7.5 million. The two appeals in serial no.9 were heard jointly and a common order was passed. Hence we have made a common description for both the matters.

Sr. No.	Forum	Complainant	Particulars	Quantum (Rs. In millions)	Current status
1.	State Commission at Chennai A.P. No. 384 of 2003	Mr Nagamanickam Balaji	<p>The Complainant has filed the complaint under section 12 of the Consumer Protection Act, 1986 against the Company, alleging deficiency in services regarding the organizing of the tour to Europe. The District forum <i>vide</i> its order dated November 29, 2002, in COP No.55 of 2001, directed the Company to pay 1,90,500/- as compensation and damages to the Complainants.</p> <p>The State Commission <i>vide</i> its order dated May 5, 2003 granted a conditional stay on the execution of the order of the District forum.</p>	0.46	Pending hearing and final disposal.
2.	State Commission at Chennai	M Sreenivasan	The Complainant has filed the complaint under section 12 of the Consumer Protection Act, 1986 against the Company, alleging	0.49	Pending hearing and final disposal.

Sr. No.	Forum	Complainant	Particulars	Quantum (Rs. In millions)	Current status
			deficiency in services regarding the organizing of the tour to Europe. The Complainant has raised a claim of Rs. 4,95,000/-. The District forum directed the Respondents to pay compensation and damages to the Complainants. The Company preferred an appeal in the State Commission.		
3.	State Commission at Chennai	S Nalini	The Complainant has filed the complaint under section 12 of the Consumer Protection Act, 1986 against the Company, alleging deficiency in services regarding the redemption of royalty vouchers of the Duniya Dekho tours. The Complainant has raised a claim of Rs. 4,95,000/-. The District forum directed the Respondents to pay compensation and damages to the Complainants. The Company preferred an appeal in the State Commission.	0.49	Pending hearing and final disposal.
4.	State Commission at Chennai	S Siddharth	The Complainant has filed the complaint under section 12 of the Consumer Protection Act, 1986 against the Company, alleging deficiency in services regarding the redemption of royalty vouchers of the Duniya Dekho tours. The Complainant has raised a claim of Rs. 4,95,000/-. The District forum directed the Respondents to pay	0.49	Pending hearing and final disposal.

Sr. No.	Forum	Complainant	Particulars	Quantum (Rs. In millions)	Current status
			compensation and damages to the Complainants. The Company preferred an appeal in the State Commission.		
5.	Civil Judge, Junior Division, Chandigarh  CC No.667/05	Amrit Pal Singh	The Complainant has filed the complaint against the Company, alleging deficiency in services regarding the refund of monies due to cancellation of tour charges. The Complainant has raised a claim of Rs. 3,45,200/-. The District forum directed the Respondents to pay compensation and damages to the Complainants. The Company preferred an appeal before the Civil Judge Junior Division.	0.34	Pending hearing and final disposal.
6.	State Commission at Chennai being F.A. No. 595 of 2006	Mr R.R. Manohar and others	The Complainant has filed the complaint under section 12 of the Consumer Protection Act, 1986 against the Company, alleging deficiency in services regarding the organizing of the tour to Singapore. The Complainant has raised a claim of Rs. 4,67,500/-. The District forum <i>vide</i> its order dated November 29, 2002, in OP No.459 of 2001, directed the Respondents to pay 26,000/- as compensation and damages to the Complainants. The Company preferred an appeal in the State Commission. The State Commission <i>vide</i> its order dated November 2, 2006 granted a	0.46	Pending hearing and final disposal.

Sr. No.	Forum	Complainant	Particulars	Quantum (Rs. In millions)	Current status
			conditional stay on the execution of the order of the District forum.		
7.	State Consumer Disputes Redressal Commission, Indore  Appeal no. 908 of 2004	Mr Manoharlal Dalal and another	<p>The Complainants have claimed a sum of approx Rs.5,00,000/- before the District Forum being Consumer Complaint no.235 of 2001. The District Forum <i>vide</i> order dated 16 March 2004 decided the matter in favour of the Company.</p> <p>Aggrieved by the order of the District Forum, the Complainants preferred an appeal being Appeal no. 908 of 2004 before the Hon'ble State Commission. The State Commission <i>vide</i> order dated 15 December 2005, set aside the order of the District Forum and re-directed the parties to the District Forum.</p> <p>The Honble District Forum directed the Company to pay a sum of Rs.40,332/-. The Company has deposited 50% of the said amount with the District Forum and has preferred an Appeal before the Hon'ble State Commission.</p>	0.5	Pending hearing and final disposal.
8.	State Consumer Disputes Redressal Commission at Ahmedabad  CRA No. 2108 of 2007	Consumer education and Research Society, Mr Shekhar Hattangadi and Mr Kishore Hattangadi	<p>The Complainant has raised a claim of approximately Rs.55,000/-. The Company has filed their written submissions to the Complaint on 12 July 2007.</p> <p>The Consumer Forum</p>	0.05	Pending hearing and final disposal.

Sr. No.	Forum	Complainant	Particulars	Quantum (Rs. In millions)	Current status
			<p><i>vide</i> its order dated 7 November 2007 has dismissed the matter on jurisdictional grounds and has directed the parties to present their matter before the appropriate forum.</p> <p>The Complainants have preferred a revision application before the State Consumer Disputes Redressal Commission at Ahmedabad.</p>		
9.	<p>State Consumer Disputes Redressal Commission, Mumbai</p> <p>Appeal no. 1908 of 2006 and Appeal no. 1909 of 2006</p>	Dr. Rajoo Deshpande and Dr. Vasudha Deshpande	<p>The Complainants, Dr. Rajoo Deshpande and his wife Dr. Vasudha Deshpande, have raised a claim of Rs.64,100/- along with interest and Rs.61,000/- along with interest, respectively.</p> <p>The District Forum heard both the above complaints together and has passed a combined order dated 2 August 2006, wherein the District Forum has directed the Company to pay a sum of Rs.20,000/- to the Complainants.</p> <p>The Company has preferred an appeal, dated 20 September 2006, before the State Commission.</p> <p>The State Commission <i>vide</i> its directions dated 11 October 2006 has granted a conditional stay on the execution of the order of the District Forum.</p>	0.12	Pending hearing and final disposal.
10.	State Consumer Dispute Redressal Commission	Mr Ashish Jaipuria and Mrs Meenakshi Aggarwal	The Complainants have raised a claim of Rs.61,600/- and Rs.	0.2	Pending hearing and final disposal.

Sr. No.	Forum	Complainant	Particulars	Quantum (Rs. In millions)	Current status
			1,44,174.  The District Forum <i>vide</i> its order dated 3 November 2008 has passed an order directing the Company to pay a cumulative sum of Rs.8,20,000/- to the Complainants, towards compensation and damages. The Company has preferred an appeal before State Commission		
11.	State Consumer Disputes Redressal Commission, New Delhi	Mr Prashant Aggarwal and Mrs Jyoti Banani	The Complainants have filed the above complaint, alleging deficiency in services for the tour organised by the Company to Malaysia.  The District Forum <i>vide</i> its order dated 7 January 2008 has directed the Company to pay a sum of Rs.1,30,000/-.  The Company has preferred an appeal before the State Commission.	0.28	Pending hearing and final disposal.
12.	Andhra Pradesh State Consumer Dispute Redressal Commission	Mr A Chandrashekhar and Ms A Sirisha	The Complainants have filed the above complaint, under section 12 of the Consumer Protection Act, 1986, alleging deficiency in services with regard to the Singapore and Malaysia tour, and have raised a claim of Rs.20,000/-, which includes refund of monies spent by the Complainants and compensation and damages. The District Forum <i>vide</i> its order dated 28 February 2007	0.02	Pending hearing and final disposal.

Sr. No.	Forum	Complainant	Particulars	Quantum (Rs. In millions)	Current status
			<p>has directed the Company to pay a sum of Rs.13,000/- to the Complainants.</p> <p>The Company has preferred an appeal before the State Commission.</p>		
13.	Consumer Disputes Redressal State Commission of Gujarat State at Ahmedabad	Smt. Ila Bindukumar Shah	<p>The Complainant has filed the above complaint, under Section 12 of the Consumer Protection Act, 1986, alleging deficiency in services with regard to the Amazing Australia tour, and have raised a claim of Rs.35,000/- The District Forum <i>vide</i> its order dated 21 March 2007 has directed the Company to pay a sum of Rs.27,000/- to the Complainants.</p> <p>The Company has preferred an appeal before the State Commission.</p>	0.03	Pending hearing and final disposal.
14.	Consumer Disputes Redressal State Commission of Gujarat State at Ahmedabad	Rameshbhai A. Patel	<p>The Complainant has filed the above complaint, under Section 12 of the Consumer Protection Act, 1986, alleging deficiency in services with regard to the Amazing Australia tour, and have raised a claim of Rs.35,000/- The District Forum <i>vide</i> its order dated 21 March 2007 has directed the Company to pay a sum of Rs.27,000/- to the Complainants.</p> <p>The Company has preferred an appeal</p>	0.03	Pending hearing and final disposal.

Sr. No.	Forum	Complainant	Particulars	Quantum (Rs. In millions)	Current status
			before the State Commission.		
15.	Consumer Disputes Redressal State Commission of Gujarat State at Ahmedabad	Geetaben Rameshbhai Patel	<p>The Complainant has filed the above complaint, under Section 12 of the Consumer Protection Act, 1986, alleging deficiency in services with regard to the Amazing Australia tour, and have raised a claim of Rs.35,000/- The District Forum <i>vide</i> its order dated 21 March 2007 has directed the Company to pay a sum of Rs.27,000/- to the Complainants.</p> <p>The Company has preferred an appeal before the State Commission.</p>	0.03	Pending hearing and final disposal.
16.	Consumer Disputes Redressal State Commission of Gujarat State at Ahmedabad	Bipinchandra P. Patel	<p>The Complainant has filed the above complaint, under Section 12 of the Consumer Protection Act, 1986, alleging deficiency in services with regard to the Amazing Australia tour, and have raised a claim of Rs.35,000/- The District Forum <i>vide</i> its order dated 21 March 2007 has directed the Company to pay a sum of Rs.27,000/- to the Complainants.</p> <p>The Company has preferred an appeal before the State Commission.</p>	0.03	Pending hearing and final disposal.
17.	Consumer Disputes Redressal State Commission of Gujarat State at	Manjulaben Bipinbhai Patel	The Complainant has filed the above complaint, under Section 12 of the Consumer Protection	0.03	Pending hearing and final disposal.



Sr. No.	Forum	Complainant	Particulars	Quantum (Rs. In millions)	Current status
	Ahmedabad		Act, 1986, alleging deficiency in services with regard to the Amazing Australia tour, and have raised a claim of Rs.35,000/- The District Forum <i>vide</i> its order dated 21 March 2007 has directed the Company to pay a sum of Rs.27,000/- to the Complainants.  The Company has preferred an appeal before the State Commission.		
18.	Consumer Disputes Redressal State Commission of Gujarat State at Ahmedabad	Bindukumar Shah	The Complainant has filed the above complaint, under Section 12 of the Consumer Protection Act, 1986, alleging deficiency in services with regard to the Amazing Australia tour, and have raised a claim of Rs.35,000/- The District Forum <i>vide</i> its order dated 21 March 2007 has directed the Company to pay a sum of Rs.27,000/- to the Complainants.  The Company has preferred an appeal before the State Commission.	0.03	Pending hearing and final disposal.
19.	State Consumer Dispute Redressal Commission, Chennai.  Appeal No. 493 of 2006	Mr Coomaswami Ramakrishnan & Ors	The Complainants have filed a complaint under section 12 of the Consumer Protection Act, 1986, alleging deficiency in services regarding the tour to Malaysia and Singapore, and have raised a claim of Rs.3,10,000/- for	0.3	Pending hearing and final disposal.

Sr. No.	Forum	Complainant	Particulars	Quantum (Rs. In millions)	Current status
			<p>compensation and damages.</p> <p>The District Forum has <i>vide</i> its order dated 31 May 2006 directed the Company to pay a sum of Rs.51,000/-.</p> <p>The State Commission has <i>vide</i> its order dated 4 September 2006 granted a conditional stay on the execution of the District Forum's order, and directed the Company to deposit a sum of Rs.26,000/-.</p> <p>The State Commission <i>vide</i> its order dated 21 November 2008 has dismissed the Appeal in favour of the Complainants.</p> <p>The Company has filed an application for restoring the petition.</p>		
20.	State Consumer Dispute Redressal Commission, at Chennai  F.A. no.123 of 2005	Sriranjini Sivasubramanian and S. Priyamuama	<p>The Complainants have filed the complaint under section 12 of the Consumer Protection Act, 1986, alleging deficiency of services for a tour to Europe, and have raised a claim of Rs.68,139/- towards refund and compensation and damages.</p> <p>The District Forum has <i>vide</i> its order dated 14 November 2005, has directed the Company to pay a sum of Rs. 11,840/- to the Complainants.</p> <p>The Company has preferred an appeal before the State</p>	0.06	Pending hearing and final disposal.

Sr. No.	Forum	Complainant	Particulars	Quantum (Rs. In millions)	Current status
			Commission.		
21.	State Consumer Disputes Redressal Commission, Chennai	V. Senthilnathan	The Company has filed an appeal against the order of the district forum wherein the Company was asked to pay compensation to the petitioner for negligence on their behalf and inconvenience caused to the petitioner.	0.05	Pending hearing and final disposal.
22.	State Consumer Disputes Redressal Commission, Jaipur	Deepak Agarwal	The Company has filed an appeal against the order of the district forum wherein the Company was asked to pay compensation to the petitioner.	0.09	Pending hearing and final disposal.
23.	State Consumer Disputes Redressal Commission, New Delhi	Harish C Pande	The Company has filed an appeal against the decision of the district forum wherein the Company was asked to pay compensation to the petitioner.	0.06	Pending hearing and final disposal.
24.	State Consumer Disputes Redressal Commission, Mumbai	Ashok Desai	The Company has filed an appeal against the decision of the district forum wherein the Company was asked to pay compensation to the petitioner.	0.46	Pending hearing and final disposal.
25.	State Consumer Disputes Redressal Commission, Mumbai	Vimal Singhania	The Company has filed an appeal against the decision of the district forum wherein the Company was asked to pay compensation to the petitioner.	0.25	Pending hearing and final disposal.
26.	State Consumer Disputes Redressal Commission, Madhya Pradesh	Surendra Kumar Prajapat	The Company has filed an appeal against the decision of the district forum wherein the Company was asked	0.19	Pending hearing and final disposal.

Sr. No.	Forum	Complainant	Particulars	Quantum (Rs. In millions)	Current status
			to pay compensation to the petitioner.		
27.	National Consumer Disputes Redressal Commission	Jagadamba T.G	The Company has filed an appeal against the decision of the state commission wherein the Company was asked to pay compensation to the petitioner.	0.11	Pending hearing and final disposal.
28.	National Consumer Disputes Redressal Commission,	Ramachar Pappu	The Company has filed an appeal against the decision of the state commission wherein the Company was asked to pay compensation to the petitioner.	0.04	Pending hearing and final disposal.
29.	State Consumer Disputes Redressal Commission, Chandigarh	Jagdeep Singh Deol and others	The Company has filed an appeal against the decision of the district forum wherein the Company was asked to pay compensation to the petitioner.	0.13	Pending hearing and final disposal.
30.	District Consumer Disputes Redressal Forum	S. Ramalingam and others	The Company has filed an appeal against the decision of the district forum, tiruchillapalli wherein the Company was asked to pay compensation to the petitioner.	0.08	Pending hearing and final disposal.
31.	High Court of Andhra Pradesh	Hemant Gupta and Neelu Gupta ("Complainants")	The Complainants had filed a complaint in the state commission of Hyderabad and an order was passed in their favour. The Company then filed an appeal before the state commission which was dismissed. The Company has now filed a writ petition in the high court.	0.21	Pending hearing and final disposal.
32.	State Consumer	Prakash Desai	The Appellant has	0.03	Pending hearing and

Sr. No.	Forum	Complainant	Particulars	Quantum (Rs. In millions)	Current status
	Disputes Redressal Commission, Mumbai	("Appellant")	filed an appeal against the order of the district forum. The Appellant had initially filed a complaint in the district forum alleging mental agony cause to him by the Company.		final disposal.
33.	National Disputes Redressal Commission	Anshul Jain & Another ("Complainants")	<p>The Complainants filed a complaint against Cox and Kings through its Managing Director, being OC/685/04 before the Consumer Forum. The Complainant has alleged that: Cox and Kings did not comply with the specifications of the tour facilities offered by them in their brochure, as a result which this complaint has been filed.</p> <p>The Consumer Forum vide its order dated 11 December 2008 has passed an order directing C&amp;K to pay sum of Rs.4,20,000/- towards compensation and damages to the Complainants.</p> <p>The Consumer Forum has vide its Summons dated 1 April 2009 issued show cause to C&amp;K as to why penalty should not be imposed, for not complying by the Consumer Forum's order. The State Commission passed</p>	1.2	Pending hearing and final disposal.

Sr. No.	Forum	Complainant	Particulars	Quantum (Rs. In millions)	Current status
			an order, aggrieved of which the Company has preferred an appeal before the National Commission.		
34.	State Consumer Disputes Redressal Forum, Nagpur	Laxman K Borle & Asha L Borle	This appeal has been filed in relation to cancellation charges charged by the Company.	0.19	Pending hearing and final disposal.

- 2) There are 9 (nine) proceedings concerning consumer litigation by Cox and Kings Appeals with value of claim above Rs 500,000, whose details are as given hereinbelow:

Sr. No	Forum	Complainant	Brief Particulars	Quantum (INR)	Current Status
1.	State Consumer Disputes Redressal Commission, Jaipur  1194/2006	Kailash Bagri  ("Complainant")	The Complainant filed this complaint vide Complaint No. 51 of 2000 in the State Consumer Disputes Redressal Commission alleging that the Grand Orient tour organised by the Company was not upto the mark and tour was mismanaged.  The State Commission transferred the above matter to be heard and tried by the District Forum at Jaipur on jurisdictional grounds.  The District Forum vide its order dated 5 June 2006 directed the Company to pay a sum of Rs.1,86,000/- towards compensation and damages. The matter is in appeal before the State Commission.	1.88	Pending hearing and final disposal.
2.	State Consumer Disputes Redressal Commission, Kolkata Appeal No.1786 of 2009	Dr. Tushar Kanti Pal	The Complainant has filed the complaint against the Company, alleging deficiency in services regarding the organizing of the tour to Bangkok. The Complainant has raised a	0.99	Pending hearing and final disposal.

Sr. No	Forum	Complainant	Brief Particulars	Quantum (INR)	Current Status
			<p>claim of Rs. 9,93,806/-.</p> <p>The District forum directed the Respondents to pay compensation and damages to the Complainants. The Company preferred an appeal in the State Commission.</p>		
3.	<p>National Consumer Disputes Redressal Commission New Delhi.</p> <p>1157/2006</p>	<p>Col. S. P. Putchala &amp; Another</p> <p>("Complainant")</p>	<p>The Complainant has filed this complaint against Cox and Kings alleging that the tour was mismanaged and there was deficiency in services offered. Visas were not properly arranged for and tour schedule was also shortened.</p> <p>The District Forum ruled in □ favour of the Complainant ordering Cox &amp; Kings to pay Rs. 0.08 Million and provide a free holiday for 5 years, whereupon an appeal was filed in the State Commission by Cox &amp; Kings, which while preferring the appeal, ordered the appellant to pay a deposit of Rs. 0.025 Million to the District Forum and provide a free holiday to the respondents.</p> <p>Thus another appeal was filed with the National Commission which upheld the State Commission's order but granted a stay with regards to the 5 year free holiday, while ordering the State Commission to rehear the matter.</p> <p>On rehearing the matter the State Commission once again upheld the order passed by the District Forum. Cox &amp;</p>	1.95	Pending hearing and final disposal.

Sr. No	Forum	Complainant	Brief Particulars	Quantum (INR)	Current Status
			Kings further filed an appeal with the National Commission.		
4.	State Consumer Disputes Redressal Commission, Maharashtra  499/07	Pradeep Khemka  ("Original Complainant")	The Original Complainant alleged deficiency in tour services such as tickets, visas, etc vide Complaint no. 341 of 2006 before the District Consumer Redressal Forum, Nagpur.  The District Forum ruled in favour of the Complainant, ordering Cox & Kings to pay Rs.0.07 million, pursuant to which an appeal was filed with the State Commission alongwith an application for stay of the order of the District forum dated 6 march 2007 being M.A.No. 343 of 2007.	2	Pending hearing and final disposal
5.	State Consumer Disputes Redressal Commission  384/2003	Ethirajulu Sairam  ("Original Complainant")	The Original Complainant has filed this complaint vide Complaint No. 56 of 2001 in the Consumer Disputes Redressal Forum, Salem alleging deficiency in services of Cox and Kings, as an extra bed was not provided as per the specifications, flight schedules were changed without prior notice, return tickets were not confirmed and that Complainant lost his valuables, which could not be recovered.  The District Forum ruled in favour of the Complainant and ordered Cox & Kings to pay Rs.0.16 Million, pursuant to which an appeal has been filed with the State Commission alongwith the stay application against the order of the District Forum.	0.56	The State Commission vide its order dated 5 May 2003 granted a conditional stay on the execution of the order of the District forum. The matter is pending hearing and final disposal



Sr. No	Forum	Complainant	Brief Particulars	Quantum (INR)	Current Status
6.	State Consumer Dispute Redressal Commission, Tamil Nadu  F.A.Sr.No. 1067 of 2007	K. Muthuraman  ("Original Complainant")	<p>The Original Complainant has filed this complaint vide Complaint No. 680 of 2004 in the District Consumer Redressal Forum, Chennai alleging that the air ticket issued by the Company for his wife from Chennai to Singapore, was intimated to the Complainant as confirmed. However the Complainant discovered the abovementioned ticket was waitlisted and another ticket had to be purchased by the Complainant on his own.</p> <p>The District Commission vide order dated 6 August 2007 ruled in favour of the Complainant and ordered compensation to the tune of Rs. 0.12 Million to be paid to the Complainant by the Company.</p> <p>The Company has hence preferred this appeal before the State Commission.</p>	0.52	Pending hearing and final disposal
7.	State Consumer Dispute Redressal Commission, Mumbai  Complaint No. 41 of 2008	Swapan Bag and Others ("Complainant")	<p>The Complainant has alleged vide Complaint No. 389 of 2006 in the South Mumbai District Forum that during the tour, the vehicle that was transporting the Complainant and other passengers broke down and the passengers were stranded for around eight hours without being provided any necessary amenities. The delay caused thereby resulted in cancelling one of the destinations, which was a part of the tour package.</p> <p>The Consumer Dispute Redressal Forum decided</p>	2.0	Pending hearing and final disposal.

Sr. No	Forum	Complainant	Brief Particulars	Quantum (INR)	Current Status
			<p>the complaint in favour of the Complainant vide order dated June 19, 2007.</p> <p>The Company has hence preferred this appeal before the State Commission along with a stay application no. 48 of 2008.</p>		
8.	<p>Andhra Pradesh State Forum</p> <p>Appeal no. 586 of 2008.</p>	<p>K.V. Nagi Reddy and Others</p> <p>(“Complainant”)</p>	<p>The Complainant has vide Case no. 16/2007 in the District Consumer Disputes Redressal Forum, Anantpur, Bangalore alleged that he was charged extra for a show, which was included in the tour, as promised in the brochure.</p> <p>The District Commission vide its order dated March 17, 2008 has ordered the company to pay Rs. 1,00,000 to each complainant along with interest @ 9 % and Rs. 3,000 as costs.</p>	0.6	Pending hearing and final disposal.
9.	<p>Consumer Dispute Redressal Commission Maharashtra</p> <p>Appeal no.207 of 2008</p>	<p>Preeti Shirodkar Pramila Shirodkar Sharatchandra Shirodkar Ameya Naik Minouti Naik Abhishek Mande</p> <p>(“Complainants”)</p>	<p>The Complainants have alleged vide Complaint No. SMF/MUM/143 of 2005 in the South Mumbai District Consumer Disputes Redressal Forum, Mumbai City, Mumbai District that they were booked on a Far East tour conducted by the Company and confirmed air tickets and visas were to be issued upon arrival at the destination.</p> <p>The Complainants cancelled their tour package and demanded refund of the same, which was allegedly made by the Company but after some deductions thereby causing the complainants to file the complaint.</p>	1.28	Pending hearing and final disposal.

Sr. No	Forum	Complainant	Brief Particulars	Quantum (INR)	Current Status
			<p>The District Forum vide its order dated 5 December 2007 has directed C&amp;K to pay a sum of Rs. 1,43,000/-.</p> <p>C&amp;K has preferred an appeal, dated 8 February 2008, before the Consumer Dispute Redressal Commission, Maharashtra, against the Complainant, vide Appeal no.207 of 2008 alongwith Stay Application no.330 of 2008 for staying the execution of the order of the District Forum.</p> <p>The State Commission has vide its order dated 5 June 2008 granted a conditional stay till 30 June 2008 on payment of a sum of Rs.25,000/-.</p>		

#### E. Consumer Complaints pending against the Company

- 1) There are 72 (seventy two) consumer proceedings against Cox and Kings with value of claim below Rs. 500,000 aggregating to approximately Rs.13.26 million.

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In Millions approx.)	Current Status
1.	Consumer Disputes Redressal Forum, Ernakulam CC 457/09	Joseph Abraham	The Complainant in this case has alleged deficiency in services provided by the Company with regard to arranging the travel programmes including visa processing and has claimed refund and damages.	0.29	Pending hearing and final disposal.
2.	Consumer Disputes Redressal Forum, Ahmednagar	Kailash Madanlal Chayal	The Complainant in this case has alleged deficiency in services provided by the Company with regard to arranging the travel	0.03	Pending hearing and final disposal.

<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
	CC 300/09		programmes and has claimed refund and damages.		
3.	Consumer Disputes Redressal Forum, Surat CC 849/09	Ravi Vimal Agarwal	The Complainant in this case has alleged deficiency in services provided by the Company with regard to arranging the travel programmes and has claimed refund and damages.	0.12	Pending hearing and final disposal.
4.	Consumer Disputes Redressal Forum, Belgaum CC 564/09	Dr. Sainath Patil & Smt. Seema Patil	The Complainant in this case has alleged deficiency in services provided by the Company with regard to arranging the travel programmes and has claimed refund and damages.	0.2	Pending hearing and final disposal.
5.	Consumer Disputes Redressal Forum, Delhi CC 451/04	Rajesh Gupta	The Complainant in this case has alleged deficiency in services provided by the Company with regard to arranging the travel programmes and has claimed refund and damages.	Not defined	Pending hearing and final disposal.
6.	Consumer Disputes Redressal Forum, Ernakulam CC/08/484 OF 2008	Roy K. Varghese	The Complainant in this case has alleged deficiency in services provided by the Company with regard to arranging the travel programmes regarding a tour to Europe and has claimed refund and damages.	0.23	Pending hearing and final disposal.
7.	Consumer Disputes Redressal Forum, Delhi CC: 862 / 2008	Rakesh Kumar Verma	The Complainant in this case has alleged deficiency in services provided by the Company with regard to arranging the travel programmes regarding a tour to America and has claimed refund and damages.	0.28	Pending hearing and final disposal.
8.	Consumer Disputes	V. N. Saraf	The Complainant in this case has alleged	0.44	Pending hearing and final disposal.

<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
	Redressal Forum, Delhi  CC: 1568 / 2008		deficiency in services provided by the Company with regard to providing refund due to an incomplete tour and has claimed refund and damages.		
9.	Consumer Disputes Redressal Forum, Jalandhar  CC: 218/ 2009	Satish Kumar Behal	The Complainant in this case has alleged deficiency in services provided by the Company with regard to providing refund due to a cancelled tour and has claimed refund and damages.	0.09	Pending hearing and final disposal.
10.	Consumer Disputes Redressal Forum, Bangalore  CC: 2116/ 2009	Sri. S. Nagaraja Smt. C. Annapurna C. Rudra Prakash	The Complainant in this case has alleged deficiency in services provided by the Company with regard to a tour and has claimed refund and damages.	0.39	Pending hearing and final disposal.
11.	Consumer Disputes Redressal Forum, Goa  CC: 112/ 2009	Vinayak Kurtikar	The Complainant in this case has alleged deficiency in services provided by the Company with regard to visa processing and has claimed refund and damages.	0.39	Pending hearing and final disposal.
12.	District Consumer Disputes Redressal Forum, Meerut  Case No. 362 of 2001	Mr R.N. Sahai	The Complainant has filed the above complaint, alleging a loss of USD 150 caused by the Company by not allowing the Complainant the 'Loyalty Voucher' meant for the year 2001 in its 'Duniya Dekho Scheme' to be availed by the Complainant in an European Tour.	0.01	Pending hearing and final disposal.
13.	Consumer Disputes Redressal Forum, , Mumbai	Consumer Welfare Association; Ms Pilloo Broacha; Ms Jeroo Broacha and Ms Dina Broacha	The Complainants have filed a complaint, against the Company, alleging deficiency in services regarding a Europe tour organised	0.26	Pending hearing and final disposal.

<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
	Complaint No.145 of 2005		by the Company		
14.	District Consumer Redressal Forum at Chennai South  Complaint No. 156 of 2002	Fateh Chand Jain and Nitin Jain	The Complainants have filed the above complaint, under Section 12 of the Consumer Protection Act, 1986, alleging deficiency in services with regard to the Europe tour, and have raised a claim of Rs.4,00,500/-, which includes refund of monies spent by the Complainants and compensation and damages.	0.4	Pending hearing and final disposal.
15.	District Consumer Redressal Forum at Chennai South  Complaint No. 157 of 2002	Pushpa Jain and Miss. Nidhi Jain	The Complainants have filed the above complaint, under Section 12 of the Consumer Protection Act, 1986, alleging deficiency in services with regard to the Europe tour, and have raised a claim of Rs.4,00,500/-, which includes refund of monies spent by the Complainants and compensation and damages.	0.4	Pending hearing and final disposal.
16.	Consumer Disputes Redressal Forum, Mumbai  Case No. 343/ 2000	Keyur Shah	The Complainant has filed the above complaint, under Section 12 of the Consumer Protection Act, 1986, alleging deficiency in services with regard to the Honeymoon Package, and have raised a claim of Rs.1,15,000/- (with interest at 18% from the date of complaint till receipt of this amount), which includes refund of monies spent by the	0.11	Pending hearing and final disposal.

<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
			Complainants and compensation and damages.		
17.	District Consumer Disputes Redressal Forum at Vadodara  Case no.303 of 2001	Dr. Ashaben Narendralal Thakore	The Complainants have filed the above complaint under section 12 of the Consumer Protection Act, 1986, alleging deficiency in services with regard to the organizing the tour to Mediterranean, and have raised a claim of Rs.1,11,000/-.	0.11	Pending hearing and final disposal.
18.	District Manch Consumer Paton, Kota Rajasthan  Complaint case no.472 of 2006	Mr. Deshnidhi Kasliwal	The Complainant has filed the above complaint, under section 12 of the Consumer Protection Act, 1986, alleging deficiency in services with regard to the tour to Istanbul, Turkey, and have raised a claim of Rs.91,520/- alongwith the interest, towards compensation and damages.	0.09	Pending hearing and final disposal.
19.	District Consumer Disputes Redressal Forum, Indore  Complaint No.1179 of 2008	Dr. Balwant Singh Chaddha	The Complainant has filed the complaint against the Company, alleging deficiency in services regarding the organizing of the tour to Europe. The Complainant has raised a claim of Rs. 89,200/-.	0.09	Pending hearing and final disposal.
20.	Consumer Disputes Redressal Forum, Ernakulam  CC No. 483 of 2008	Biju Thottam	The Complainant has filed the complaint against the Company, alleging deficiency in services regarding the organizing of the tour to Europe.	0.4	Pending hearing and final disposal.
21.	District Consumer Forum Hyderabad  C.C. No. 103 of 2009	Dr. M.V.V.L. Narasimhan	The Complainant has filed the complaint against the Company, alleging deficiency in services regarding the organizing Malaysia and Singapore.	0.06	Pending hearing and final disposal.

<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
22.	District Consumer Disputes Redressal Forum, New Delhi  C.C. No. 103 of 2009	Dr. Mrs. Dildeep Bali	The Complainant has filed the complaint against the Company, alleging deficiency in services regarding the organizing Australia.	0.22	Pending hearing and final disposal.
23.	District Consumer Dispute Redressal Forum, Nagpur  Complaint No.154 of 2009	Vijay Baburaoji Chandawar	The Complainant has filed the complaint against the Company, alleging deficiency in services regarding the organizing Europe tour. The Complainant has raised a claim of Rs. 1,03,000/- alongwith interest @ 18% as refund and Rs.55,000/- as compensation and damages.	0.15	Pending hearing and final disposal.
24.	District Consumer Dispute Redressal Forum, Bangalore  C.C. No. 791 of 2009	M Krishna Murthy	The Complainant has filed the complaint against the Company, alleging deficiency in services regarding the organizing Europe tour. The Complainant has raised a claim of Rs. 20,000/- alongwith interest @ 24% as refund and Rs.30,000/- as compensation and damages.	0.05	Pending hearing and final disposal.
25.	District Consumer Dispute Redressal Forum, Bangalore  C.C. No. 790 of 2009	C.R. Chadrashekar	The Complainant has filed the complaint against the Company, alleging deficiency in services regarding the organizing Europe tour. The Complainant has raised a claim of Rs. 40,000/- alongwith interest @ 24% as refund and Rs.40,000/- as compensation and damages.	0.08	Pending hearing and final disposal.
26.	District Consumer Dispute Redressal	SRI Ramaiah	The Complainant has filed the complaint against the Company, alleging deficiency in	0.05	Pending hearing and final disposal.



<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
	Forum, Banglore  C.C. No. 789 of 2009		services regarding the organizing Europe tour. The Complainant has raised a claim of Rs. 20,000/- alongwith interest @ 24% as refund and Rs.30,000/- as compensation and damages.		
27.	District Consumer Dispute Redressal Forum, Bangalore  C.C. No. 788 of 2009	SRI P.V. Kempaiah	The Complainant has filed the complaint against the Company, alleging deficiency in services regarding the organizing Europe tour. The Complainant has raised a claim of Rs. 20,000/- alongwith interest @ 24% as refund and Rs.30,000/- as compensation and damages.	0.05	Pending hearing and final disposal.
28.	District Consumer Dispute Redressal Forum, Bangalore  C.C. No. 787 of 2009	SRI Seenappa	The Complainant has filed the complaint against the Company, alleging deficiency in services regarding the organizing Europe tour. The Complainant has raised a claim of Rs. 20,000/- alongwith interest @ 24% as refund and Rs.30,000/- as compensation and damages.	0.05	Pending hearing and final disposal.
29.	District Consumer Dispute Redressal Forum, Ahmedabad	Vinod Malvi and Mrs. Juhi Malvi	The Complainant has filed the complaint against the Company, alleging deficiency in services regarding the organizing Europe tour. The Complainant has raised a claim of Rs. 2,76,571/- alongwith interest @ 18% as refund and Rs.60,000/- as compensation and damages.	0.33	Pending hearing and final disposal.
30.	District Consumer Dispute	Krishna Kumar Bisnoi	The Complainant has filed the complaint against the Company,	0.38	Pending hearing and final disposal.

<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
	Redressal Forum, Lucknow  Complaint No. 479 of 2009		alleging deficiency in services regarding the organizing Europe tour. The Complainant has raised a claim of Rs. 80,000/- alongwith interest @ 18% as refund and Rs.3,00,000/- as compensation and damages.		
31.	District Consumer Dispute Redressal Forum, Ahmednagar  Complaint No. 299 of 2009	Rajendra Ram Dayal Lakhotia	The Complainant has filed the complaint against the Company, alleging deficiency in services regarding the organizing Europe tour. The Complainant has raised a claim of Rs. 20,000/- and Rs.6,000/- as compensation and damages.	0.02	Pending hearing and final disposal.
32.	District Consumer Dispute Redressal Forum, Delhi  Complaint No. 597 of 2009	Praveen Garg	The Complainant has filed the complaint against the Company, alleging deficiency in services regarding the organizing Europe tour. The Complainant has raised a claim of Rs. 1,60,168/- alongwith interest @ 18% as refund and Rs.1,00,000/- as compensation and damages.	0.26	Pending hearing and final disposal.
33.	District Consumer Disputes Redressal Forum, Delhi	Prithvi Pal Verma and others (“Complainants”)	The Complainants tour was cancelled and deductions were made for visa and medical insurance costs. The dispute is in relation to these deductions made by the Company.	0.38	Pending hearing and final disposal.
34.	District Consumer Disputes Redressal Forum, Meerut	Ashok Kumar (“Complainant”)	The Complainant filed this complaint due to inconvenience caused to him due to ticketing issues.	0.17	Pending hearing and final disposal.

<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
35.	District Consumer Disputes Redressal Forum, Chennai	S. Sivasamy and S. Prasanna (“Complainants”)	The Complainants have filed a complaint asking for a refund since they booked a tour to Europe but could not avail of the same due to visa issues.	0.13	Pending hearing and final disposal.
36.	District Consumer Disputes Redressal Forum, Jaipur	Dr. Vijay Agrawal (“Complainant”)	The Complainant has filed his complaint in relation to issues faced by him during his trip to Europe.	0.08	Pending hearing and final disposal.
37.	District Consumer Disputes Redressal Forum, Jaipur	C.K. Mittal	The Complainant has filed his complaint in relation to issues faced by him during his trip to Europe.	0.08	Pending hearing and final disposal.
38.	District Consumer Disputes Redressal Forum, Ahmedabad	Dr. Kanubhai R Gandhi	This complaint has been filed in relation to issues on the booking amount.	0.13	Pending hearing and final disposal.
39.	District Consumer Disputes Redressal Forum, Delhi	Ranjan Kumar	This complaint has been filed in relation to issues on the booking amount.	0.24	Pending hearing and final disposal.
40.	District Consumer Disputes Redressal Forum, Jaipur	Sharad Mathur	This complaint has been filed in relation to ticketing issues.	0.09	Pending hearing and final disposal.
41.	District Consumer Disputes Redressal Forum, Calcutta	Tarun Kumar Bose	This complaint has been filed in relation to air tickets cancellation.	0.05	Pending hearing and final disposal.
42.	District Consumer Disputes	Jagbir Singh	This complaint has been filed in relation to cancellation charges for	0.09	Pending hearing and final disposal.

<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
	Redressal Forum, Jaipur		a tour to Europe.		
43.	District Consumer Disputes Redressal Forum, Delhi	Amit Kumar Tanwar	This complaint has been filed in relation to cancellation charges for a tour.	0.11	Pending hearing and final disposal.
44.	District Consumer Disputes Redressal Forum, Madurai	The Federation of Consumer Organisations - Tamil Nadu & Pondicherry (FEDCOT)	The complaint is in relation to an advertisement made by the Company.	0.002	Pending hearing and final disposal.
45.	District Consumer Disputes Redressal Forum, Indore	Sachin Praksh Jain and another	This complaint has been filed in relation to alleged deficient services provided on the tour.	0.40	Pending hearing and final disposal.
46.	District Consumer Disputes Redressal Forum, Calcutta	Jagannath Neogi	This complaint has been filed in relation to additional payments that needed to be made while on tour.	0.05	Pending hearing and final disposal.
47.	District Consumer Disputes Redressal Forum, Udaipur	Shivraj Singh Panwar	This complaint has been filed in relation to the cash back scheme of the Company.	0.13	Pending hearing and final disposal.
48.	District Consumer Disputes Redressal Forum, Mumbai	Nilesh Dalal	This complaint has been filed in relation to inconvenience caused to the customer while on tour.	0.04	Pending hearing and final disposal.
49.	District Consumer Disputes Redressal Forum, Bhopal	B.L. Anand	This complaint has been filed in relation to inconvenience caused to the customer while on tour and additional charges that had to be paid for.	0.22	Pending hearing and final disposal.

<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
50.	District Consumer Disputes Redressal Forum, New Delhi	Amreesh Kumar Verma	This complaint has been filed in relation to cancellation charges charged by the Company.	0.21	Pending hearing and final disposal.
51.	District Consumer Disputes Redressal Forum, Chennai	Ms. Rayapuram Raju Prathima	This complaint has been filed in relation to inconvenience faced by the customer while on tour.	0.05	Pending hearing and final disposal.
52.	District Consumer Disputes Redressal Forum, Mumbai	Rosi Lulla	This complaint has been filed in relation to cancellation charges charged by the Company.	0.34	Pending hearing and final disposal.
53.	District Consumer Disputes Redressal Forum, Nagpur	Ujwal Vasantao Rashatwar & Mrs. Shrutika Ujwal Rashatwar	This complaint has been filed in relation to issues faced while the Company was handling the customers' visas and cancellation charges of the tour.	0.23	Pending hearing and final disposal.
54.	District Consumer Disputes Redressal Forum, Jaipur	Dr. Vishnudutt Gupta	This complaint has been filed in relation to the cash back scheme of the Company.	0.09	Pending hearing and final disposal.
55.	District Consumer Disputes Redressal Forum, Jaipur	Dr. Akhilesh Saxena	This complaint has been filed in relation to the cash back scheme of the Company.	0.09	Pending hearing and final disposal.
56.	District Consumer Disputes Redressal Forum, Jaipur	Dr. U.B. Yadav	This complaint has been filed in relation to the cash back scheme of the Company.	0.09	Pending hearing and final disposal.
57.	District Consumer Disputes Redressal Forum, Jaipur	Dr. Dilip Sethi	This complaint has been filed in relation to the cash back scheme of the Company.	0.09	Pending hearing and final disposal.
58.	District Consumer Disputes	S.S.Yadav	This complaint has been filed in relation to the cash back scheme of the	0.09	Pending hearing and final disposal.

<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
	Redressal Forum, Jaipur		Company.		
59.	District Consumer Disputes Redressal Forum, Meerut	Mr. Rajesh Agarwal and others	This complaint has been filed in relation to cancellation charges charged by the Company.	0.10	Pending hearing and final disposal.
60.	Additional District Consumer Disputes Redressal Forum, Pune	Mrs. Rohini Suresh Barve & Mr. Suresh Dattatray Barve	This complaint has been filed in relation to the cash back scheme of the Company.	0.08	Pending hearing and final disposal.
61.	District Consumer Disputes Redressal Forum, Chennai	Mr. Gopinathan Nair & Mrs. Geetha Gopinathan	This complaint has been filed in relation to cancellation charges charged by the Company.	0.29	Pending hearing and final disposal.
62.	District Consumer Disputes Redressal Forum, Kota	Hari Shankar Sharma	This complaint has been filed in relation to the cash back scheme of the Company.	0.38	Pending hearing and final disposal.
63.	District Consumer Disputes Redressal Forum, Ernakulam	Shaji Kuruvila	This complaint has been filed in relation to inconvenience faced by the customer while on tour.	0.23	Pending hearing and final disposal.
64.	District Consumer Disputes Redressal Forum, Pune	Vipanchi Marketing Pune Private Limited	This complaint has been filed in relation to alleged over charging of airfare tax etc. by the Company.	0.08	Pending hearing and final disposal.
65.	District Consumer Disputes Redressal Forum, Visakhapatnam	Poosarla Gavar Raju	This complaint has been filed in relation to a refund of the booking amount.	0.22	Pending hearing and final disposal.
66.	District Consumer Disputes Redressal Forum,	Ram Kumar Kedia & Manan Kedia	This complaint has been filed in relation to the cancellation of a tour and a refund of the same.	0.44	Pending hearing and final disposal.

<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
	Calcutta				
67.	District Consumer Disputes Redressal Forum, Chennai	A. S. Gunasekharan	This complaint has been filed in relation to cancellation charges of a tour.	0.39	Pending hearing and final disposal.
68.	District Consumer Disputes Redressal Forum, Ahmedabad	Chirag Hasmukhbhai Patel and others	This complaint has been filed in relation to change of air tickets.	0.41	Pending hearing and final disposal.
69.	District Consumer Disputes Redressal Forum, Ahmedabad	Jateen Madanlal Gupta and others	This complaint has been filed in relation to change of air tickets	0.41	Pending hearing and final disposal.
70.	District Consumer Disputes Redressal Forum, Delhi	Amit Goyal	This complaint has been filed in relation to cancellation charges charged by the Company.	0.15	Pending hearing and final disposal.
71.	District Consumer Disputes Redressal Forum, Nainital	Chetan Balutia	This complaint has been filed in relation to the customer being unable to go on tour due to visa issues.	0.19	Pending hearing and final disposal.
72.	District Consumer Disputes Redressal Forum, Nainital	Manjery Balutia	This complaint has been filed in relation to the customer being unable to go on tour due to visa issues.	0.19	Pending hearing and final disposal.

- 2) There are 24 (twenty four) consumer proceedings against Cox and Kings with value of claims above Rs.500,000, whose details are as given hereinbelow:

<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
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<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
1.	Consumer Disputes Redressal Forum, Delhi CC/146/06	Saurabh Jain (“ <b>Complainant</b> ”)	The Complainant has alleged that the tour facilities were not up to the mark such as visas, flight arrangements, meal arrangements, etc.	0.55	Pending hearing and final disposal.
2.	Consumer Disputes Redressal Forum, Mumbai  CC 103/08	C.G. Heliwal	The Complainant in this case has alleged deficiency in services provided by the Company with regard to arranging the travel programmes and has claimed refund and damages.	0.79	Pending hearing and final disposal.
3.	Consumer Disputes Redressal Forum, Jaipur CC 1313/09	Ritesh Gupta	The Complainant has alleged deficiency in services from the Company regarding arranging the tour bookings and visa processing.	0.93	Pending hearing and final disposal.
4.	District Consumer Disputes Redressal Forum, Chennai (South)  CC no.581 of 2005	Mr M. Ramani and Mrs Shantha Ramani	The Complainants have filed the above complaint, under section 12 of the Consumer Protection Act, 1986, alleging deficiency in services with regard to the Europe tour, and have raised a claim of Rs.2,28,634/-, which includes refund of monies spent by the Complainants and compensation and damages.	1.28	Pending hearing and final disposal.
5.	District Consumer Disputes Redressal Forum, Yamuna Nagar at Jagadhri.	Raj Kumar (“ <b>Complainant</b> ”)	The Complainant has alleged that the Tour facilities were not up to the mark, as there were improper hotel bookings and transport facilities were not properly arranged.	1.4	Pending hearing and final disposal.



Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In Millions approx.)	Current Status
6.	Consumer Disputes Redressal Forum, Delhi  CC/141/06	Sushil Jain (“ <b>Complainant</b> ”)	The Complainant has alleged that the tour facilities were not up to the mark such as visas, flight arrangements, meal arrangements, etc.  The Complainant has thus alleged deficiency of service as a result of which this complaint has been filed.	0.55	Pending hearing and final disposal.
7.	District Consumer Disputes Redressal Forum, Kamrup. CC No.65 of 2009	Dr. Dipak Bhuyan & others	The Complainant has alleged that the tour facilities were not up to the mark such as ticketing, flight arrangements, etc. The Complainant has thus alleged deficiency of service as a result of which this complaint has been filed.	0.6	Pending hearing and final disposal.
8.	District Consumer Disputes Redressal Forum, Bangalore  CC No.1346 of 2009	Smt Tara Balasubramanyam & others	The Complainant has alleged that the tour facilities, arranged for the Far East, were not up to the mark such as food, insurance policies, etc.  The Complainant has thus alleged deficiency of service as a result of which this complaint has been filed.	1.36	Pending hearing and final disposal.
9.	District Consumer Disputes Redressal Forum, Delhi  CC/145/06	Ajay Jain (“ <b>Complainant</b> ”)	The Complainant has alleged that the tour facilities were not up to the mark such as visas, flight bookings, meals, etc and there was a deficiency in the tour services.	0.55	Pending hearing and final disposal.

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In Millions approx.)	Current Status
10.	District Consumer Disputes Redressal Forum, Rajasthan  225/05	Shyamlal Agarwal & Another (“ <b>Complainant</b> ”)	The Complainant has alleged that the tour undertaken by him was postponed by a week which led to change in flight bookings Furthermore, it was alleged that the tour manager assigned to them was inexperienced, lacked knowledge, and had poor interpersonal and communication skills.	1.14	Pending hearing and final disposal.
11.	District Consumer Disputes Redressal Forum(South) Chennai  O.P. No./297/2003	Mahesh Suryanarayanan (“ <b>Complainant</b> ”)	The Complainant has alleged gross deficiency of service and unfair trade practice.  Cox & Kings allegedly did not make appropriate arrangements during the tour, as specified by the Complainant. Furthermore, the complainant alleged that the hotel bookings and payments were not properly executed, as a result of which this complaint has been filed.	0.52	Pending hearing and final disposal.

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In Millions approx.)	Current Status
12.	National Consumer Disputes Redressal Commission, New Delhi.  Petition No. 307 of 1999.	Friends Club  (“ <b>Complainant</b> ”)	<p>The Complainant has alleged that the tour package undertaken by the Complainant was not as was specified in the tour brochure.</p> <p>Further, the Complainant has alleged that there was mismanagement in the tour, meals as specified in the brochure were not provided for and the accommodation provided was also not as was specified in the tour brochure.</p> <p>The Complainant has preferred an interim application, dated 18 November 1999, praying that pending the adjudication of the matter, the National Commission be pleased to pass an order attaching C&amp;K’s property at Indira Palace, New Delhi.</p>	2.91	Pending hearing and final order.
13.	District Consumer Disputes Redressal Forum, Mumbai.  Complaint No. 196/2006	Rajendrakumar M Baid  (“ <b>Complainant</b> ”)	The Complainant has alleged that the tour booked by the Complainant was replaced by another tour and there was an alleged deficiency in the tour services such as meals, airlines, tour guide, coach, etc.	0.6	Pending hearing and final disposal.

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In Millions approx.)	Current Status
14.	District Consumer Disputes Redressal Forum, Madurai.	V. Thangavelsamy (“ <b>Complainant</b> ”)	<p>The Complainant has alleged that the European tour to be undertaken by him was on a twin sharing basis and because of cancellation of another tourist with whom he was to be on a twin sharing basis, he was allegedly informed that he would be charged the amount as of a single supplement. The Complainant thereon cancelled the tour and a sum of Rs. 0.05 Million, was deducted as cancellation charges according to the terms of the European Tour.</p> <p>The Complainant has filed this complaint for full refund of tour cost paid by him to the Company and interest thereon along with compensation claimed.</p>	0.73	Pending hearing and final disposal.
15.	District Forum, Chennai  CC no. 4 of 2008	N. Jayaraman (“ <b>Petitioner</b> ”)	<p>The Petitioner had taken a tour to Europe for two people, however, one person was not successful in procuring a visa. In lieu of the payment made, the Company assured the Petitioner that this amount would be adjusted in sight seeing during the trip. He was promised complimentary tours which were actually optional but on the trip was charged for the same. He has also alleged that the hotels and food was not of an adequate quality. The</p>	1	Pending hearing and final disposal.

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In Millions approx.)	Current Status
			assurances advertised were not delivered and hence he alleges unfair trade practises on the part of the Company.		

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In Millions approx.)	Current Status
16.	District Consumer Redressal Forum, Porvorim, Goa	Mr. Prakash Kittur  (“ <b>Complainant</b> ”)	The Complainant has filed in relation to a 50 % cash back scheme for the European Experience tour. The cash vouchers have not been returned to the complainant. He has prayed for 10,00,000 as compensation for the agony caused, 1,25,568 as compensation for negligence @ 24 %. The company has filed its written statements on September 22, 2008. The company has contended that since payment was not made by the time line set out in the scheme the complainant does not possess any cash back voucher and is not entitled to the cash back scheme from the company.	1.1	Pending hearing and final disposal
17.	District Consumer Redressal Forum, Coimbatore  Complaint No. 242 of 2008	Dr Lakshminarayanan & Ors.  (together the “ <b>Complainants</b> ”)	The Complainants have filed a complaint against the Company and M/s Holidays Travels Pvt Ltd. for negligence in processing their UK visa forms and their swiss visa inspite of the Complainants having provided them with all the necessary documentation.	0.83	Pending hearing and final disposal
18.	District Consumer Redressal Forum, Gurgaon  Complaint No. 684 of 2008	Shri Kanwal Singh Yadav & Another  (together the “ <b>Complainants</b> ”)	The Complainants had availed a tour with a 30 % cash back offer with the Company. However, the tour got cancelled and the Company gave them the option of going to Australia as Free Individual Travelers or else they would have to deduct Rs.30,000/- per person. The Complainants were to	0.95	Pending hearing and final disposal.

<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
			choose everything on their own and were to be provided with their travel and entertainments vouchers at the airport before departing but the same was not done.		

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In Millions approx.)	Current Status
19.	District Consumer Disputes Redressal Forum, Jalandhar  Case No.588 of 2008	Dr. Gurbinder Singh Jamu (“ <b>Complainant</b> ”)	The Complainant has filed a Compliant against the Company alleging deficiency in services regarding organizing of the tour to Canada. The Complainants further alleged that during the course of the tour, there were no appropriate bookings made for a flight from Toronto to Vancouver and the hotel bookings, as a result of which the Complainant suffered severe health problems and has suffered damages to his reputation.	1	Matter pending hearing and final disposal.
20.	Permanent Lok Adalat Public Utility Services, Ferozepur	Dr. Pritam Singh Sauna (“ <b>Complainant</b> ”)	The Complainant has filed the complaint against the Company, alleging deficiency in services regarding the organizing coast to coast tour to US, further alleging deficiency in tour services such as tickets, visas, etc.	0.6 along with interest @ 18%p.a.	The matter is pending hearing and final disposal.
21.	District Consumer Dispute Redressal Forum, Porvarim, Goa  Complaint No. 10 of 2009	Pascoal Trindade & Ors.  (together the “ <b>Complainants</b> ”)	The Complainants availed the European Experience Tour with the Company. The Company, however, did not book direct flights to London. In addition, further delay was caused since the bus driver who was to drive the Complainants to the destination did not have a permit. The Complainants had to return back from the tour as the bookings of the children got cancelled.  The Complainants have preferred the Complaint	1.5	The matter is pending hearing and final disposal.



<b>Sr. No</b>	<b>Forum</b>	<b>Filed By</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In Millions approx.)</b>	<b>Current Status</b>
			for deficiency in services resulting in monetary loss.		

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In Millions approx.)	Current Status
22.	District Consumer Dispute Redressal Forum, Delhi  Complaint No. 637/2009	Pravin Parekh & Others  (together the " <b>Complainants</b> ")	The Complainants availed the tour of Mediterranean Cruise in the Flexideal. The Schegen visa of the Complainants could not be confirmed as the Company collected the passports from the Complainant late. Hence, the Complainants' trip got cancelled but the Complainants were asked to pay cancellation charges.  The Complainants have preferred the complaint for deficiency in services by the Company.	1.4	Pending hearing and final disposal.
23.	District Consumer Dispute Redressal Forum, Indore  Complaint No. 724 / 09	Sanat Kumar Jain & Others  (together the " <b>Complainants</b> ")	The Complainants have alleged that their applications for procuring UK visas got rejected due to false disclosure of details by the Company. In lieu of the refund after deduction of cancellation charges, the Company asked the Complainants to take another trip.  The Complainants have preferred the complaint for deficiency in services by the Company.	0.95	The matter is pending hearing and final disposal.
24.	State Consumer Redressal Commission, New Delhi  Complaint No. 62/2009	Shishupal Singh Gaur  (" <b>Complainant</b> ")	The Complainant filed a complaint in the State Consumer Redressal Commission, New Delhi vide Complaint No. 199 of 2008 against the Company for deficiency in services. The complainant had applied for a UK visa and submitted all docs.	2.8	The matter is pending hearing and final disposal.

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In Millions approx.)	Current Status
			<p>However, his application was rejected. There was no response from the Company when asked for refund.</p> <p>The State Commission vide order dated October 1, 2008 dismissed the complaint and directed it back to the District Forum by 21 November 2008.</p>		

3) There are four (4) proceedings concerning consumer litigation against Cox and Kings with value of claims above Rs.500,000 wherein the Directors have been made parties.

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In Millions approx.)	Current Status
1.	District Consumer Disputes Redressal Forum, New Delhi CC/1225/06	Paramjeet Singh Bhatia ("Complainant")	The Complainant has filed this complaint against the Company, through its Managing Director alleging deficiency in services on behalf of the Company during their loss of baggage, which contained their passports and other essential documents, due to which the family could not continue the tour.	0.90	Pending hearing and final disposal.
2.	District Consumer Disputes Redressal Forum, New Delhi OC/641/04	Vikas Poddar ("Complainant")	The Complainant has filed a complaint against The Director of the Company. The Complainant has alleged that the Complainant and his wife were not provided with various amenities like air conditioning, double beds, meals etc., as was specified in the tour brochure.	0.73	Pending hearing and final disposal.

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In Millions approx.)	Current Status
3.	District Consumer Disputes Redressal Forum (New Delhi)  OC/1429/04	OP Khadaria & Another  ("Complainant")	<p>The Complainant had filed a complaint against Cox and Kings through its Chief Executive Officer in the District Consumer Disputes Redressal Forum, New Delhi vide OC/1429/04 alleging that Cox &amp; Kings made a change of tour and also made a change in the date of departure without giving prior reasonable notice, no meals were provided though the same were included in the cost of the tour.</p> <p>The District Consumer Disputes Redressal Forum has passed an order dated 1 January 2008.</p> <p>The petitioner then went in appeal before the State Commission in Delhi. The State Commission vide its order dated 2 May 2008 sent the matter back to the District Forum for it to decide afresh after dealing with every plea raised by the appellant.</p> <p>The District Forum has issued a summon to the Company on 1 January 2009 to appear before it and show cause as to why a penalty should not be imposed on it.</p>	0.55	Pending hearing and final disposal.
4.	State Consumer Commission Mumbai	Dr Uday Ramchandra Naik and Bhavna Uday Naik	The Complainant has filed the complaint against C&K, being case no 390 of 2008 before the District Consumer Forum Akola, alleging	0.9	Pending hearing and final disposal.

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In Millions approx.)	Current Status
			<p>deficiency in services regarding the organizing Europe tour, further alleging deficiency services such as visas, etc.</p> <p>District Consumer Forum Akola vide order dated 25 June 2009 has awarded a sum of Rs.1,11,000/- to the Complainants.</p> <p>C&amp;K has preferred an appeal before the State Commission.</p>		

- 4) There are fifteen proceedings concerning consumer litigation against Cox and Kings with value of claims below Rs.500,000 wherein the Directors have been made parties, which aggregate to approximately Rs. 3.11 Million, details of which are included in section E1 and E2..

#### F. Oppositions under Intellectual Property Rights

##### (i) Oppositions filed by the Company to Trademark Registration Applications by third parties.

Serial No.	Trademark	Date of Notice	Served Against	Particulars	Status
1	YATRA	January 22, 2007	Nimisha Ruparel	Notice of opposition was served by the Company for alleged misuse of Trademark "YATRA" and passing off thereof under Class 39.	Pending hearing and final disposal
2	YATRY	June 21, 2005	Savla Enterprises	Notice of opposition was served by the Company for alleged misuse of Trademark "YATRY" and passing off thereof under Class 3.	Pending hearing and final disposal
3	YATRI	February 15, 2008	Raj Marketing	Notice of opposition was served by the Company for alleged misuse of Trademark "YATRI" and passing off thereof	Pending hearing and final disposal

				under Class 3.	
4	YATRI	January 25, 2008	Blue Foods Private Limited	Notice of opposition was served by the Company for alleged misuse of Trademark "YATRI" and passing off thereof under Class 29.	Pending hearing and final disposal
5	YATRI	October 8, 2007	PNP Polytex Private Limited	Notice of opposition was served by the Company for alleged misuse of Trademark "YATRI" and passing off thereof under Class 16.	Pending hearing and final disposal
6	CHRISTOPHER COLUMBUS	May 30, 2005	Kouni Travels (India) Private Limited	Notice of opposition was served by the Company for alleged misuse of Trademark "CHRISTOPHER COLUMBUS" and passing off thereof under Class 39.	Pending hearing and final disposal
7	CHRISTOPHER COLUMBUS	May 30, 2005	Kouni Travels (India) Private Limited	Notice of opposition was served by the Company for alleged misuse of Trademark "CHRISTOPHER COLUMBUS" and passing off thereof under Class 42.	Pending hearing and final disposal
8	KOX	April 8, 2004	Kangaro Industries	Notice of opposition was served by the Company for alleged misuse of Trademark "KOX" and passing off thereof under Class 16.	Pending hearing and final disposal
9	KOX	June 7, 2007	Kox Hosiery Private Limited	Notice of opposition was served by the Company for alleged misuse of Trademark "KOX" and passing off thereof under Class 25.	Pending hearing and final disposal
10	COX	February 6, 2007	Jagdish Chandra Aggarwal	Notice of opposition was served by the Company for alleged misuse of	Pending hearing and final disposal

				Trademark "COX" and passing off thereof under Class 30.	
11	RELIANCE YATRA	February 12, 2008	Reliance Industries Limited	Notice of opposition was served by the Company for alleged misuse of Trademark "RELIANCE YATRA" and passing off thereof under Class 42.	Pending hearing and final disposal
12	YATRA CARE	December 20, 2007	Thomas Cook (India) Limited	Notice of opposition was served by the Company for alleged misuse of Trademark "YATRA CARE" and passing off thereof under Class 16.	Pending hearing and final disposal
13	DEKHO INDIA	October 10, 2007	Paramount Holidays	Notice of opposition was served by the Company for alleged misuse of Trademark "DEKHO INDIA" and passing off thereof under Class 39.	Pending hearing and final disposal
14	SUBH YATRA	February 21, 2007	Samsonite Corporation	Notice of opposition was served by the Company for alleged misuse of Trademark "SUBH YATRA" and passing off thereof under Class 18.	Pending hearing and final disposal

**(ii) Oppositions made by third parties to the Trademark Registration Applications made by the Company**

Serial No.	Trademark	Date of Notice	Served By	Particulars	Status
1.	ANAND	July 12, 2004	Anand Hoserics	Notice of opposition was served to the Company for alleged misuse of Trademark "ANAND" under Class 25.	Counter claim filed by the Company on March 16, 2005.  Pending hearing and final disposal

**G. Civil Proceedings initiated by/against the Individual Promoters**

**(a) Urrshila Kerkar**

(i) Proceedings initiated against Urrshila Kerkar

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. in millions- approx.)	Current Status
1.	High Court Of Judicature, Mumbai  Suit No. 3091/2001	Junot Chagas Pereira, Ena Theresa Naylor, Jacqueline Meers, Mark Forbes (“ <b>Plaintiffs</b> ”)	Urrshila Kerkar (“Co - Defendant”) is in possession of suit property as a tenant located in Colaba, Mumbai, (“Premises”) by virtue of paying Rs. 0.015 million per month as rent to Mr Om Prakash Navani and Phool Om Prakash Navani, (“Lessors” and Defendants). The Co-defendant has been impleaded as a party in the suit on account of her status as tenant in the Premises. The Plaintiffs in the instant suit contend that the Defendants, being Mr. Om Prakash Navani have no right to the said property and the creations of tenancy rights by the said Defendant was invalid.  The court by way of an interim order appointed a Court Receiver to the Premises.	N.A.	Pending hearing and final disposal.
2.	High Court of Judicature at Bombay.  Appeal 2008 in Court Receiver’s Report No.234 of 2008 along with Court Receiver’s Report No.295 of 2008 in Suit No.3091 of 2001.	Shaw Wallace & Co. Ltd. (“ <b>Appellant</b> ”)	The Appellant has filed this Appeal against, Junot Chagas Pereira; Ena Theresa Naylor, Jacqueline Angela Meers, Mark Forbes-Irving, Omprakash Navani, Phool Omprakash Navani, Urrshila Kerkar, Paul Forbes- Irving, Justine Forbes-Irving and Court Receiver Bombay High Court.  The Appellant aggrieved by the order of the High Court dated 11 December 2008, granting the Court	N.A	Pending hearing and final disposal.



Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. in millions-approx.)	Current Status
			Receiver permission to file a suit for appropriate relief's against the Appellant, has preferred this Appeal.		
3.	High Court, Bombay  Suit Lodging No. 1899 of 2007	Om Prakash Navani  ('Plaintiff')	For details therein, please refer to Serial No. 4 of Civil Proceedings initiated against the Company as disclosed in this Red Herring Prospectus.		

**(ii) Proceedings initiated by Urrshila Kerkar**

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. in millions-approx.)	Current Status
1.	Court of Small Causes at Bombay  R.A.D. Suit No. 1512/04	Om Prakash Navani, Phool Omprakash Navani, Junot Chagas Perira of Mumbai, Ena Theresa Naylor, Jacqueline Angela Meers and Mark Irwing  ('Defendants')	Urrshila Kerkar has filed this present suit against the Defendants to declare her as a lawful tenant of property located in Colaba, Mumbai, "Premises", which is under dispute in the Suit No. 3091/2001.  For details therein, please refer to the suit mentioned hereinabove.	NA	Pending hearing and final disposal.

**(b) Proceedings initiated against Ajay Ajit Peter Kerkar**

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. in millions-approx.)	Current Status
1	High Court, Bombay  Suit Lodging No. 1899 of 2007	Om Prakash Navani  ('Plaintiff')	For details therein, please refer to Serial No. 4 of Civil Proceedings initiated against the Company as disclosed in this Red Herring Prospectus.		

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. in millions-approx.)	Current Status
2	High Court of Bombay.  Criminal Writ Petition No. 2162 of 2007	ABK Enterprises Pvt Ltd. Vs. Trade Wings Hotels Ltd & Anr.	For details therein, please refer to Serial No. 11 of Proceedings initiated by/against the Tulip Group as disclosed in this Red Herring Prospectus.		

**(c) Proceedings initiated by Ajay B. Kerkar**

Sr. No	Forum	Filed against	Brief Particulars	Quantum (Rs. in millions-approx.)	Current Status
1.	High Court, Bombay  Criminal Writ Petition No.2182 of 2007	Trade Wings Hotels Ltd & Anr.	For details therein, please refer to Serial No. 10 of Proceedings initiated by/against the Tulip Group as disclosed in this Red Herring Prospectus.		

**H. Civil Proceedings by the Corporate Promoter, Liz Investments Private Limited, (“Liz Investments”)**

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. in millions-approx.)	Current Status
1.	Company Law Board, New Delhi (“Board”) Comp. Petition No.44 of 2005	Far Pavilions Pvt. Ltd (“FPTTPL”), Urshila Kerkar, Pranab Pal, Amit Kishore, Manish Pratik, Arup Sen, Savio Fernandes, Linette Luis, Sriparna Pal, Across India Pvt. Ltd, Bluestar Hospitality Pvt. Ltd. (“Defendants”) (“Respondents”)	Liz Investments is a shareholder with 50% holdings in FPTTPL and has filed this petition under Sections 398, 402, 403, 235 & 237 of the Companies Act, 1956 and Ms. Urrshila Kerkar and Mr. Arup Sen are only formal parties in this proceeding.  Pranab Pal, one of the Defendants, has allegedly committed criminal breach of trust by utilizing the property of FPTTPL for purposes other than those expressed in the Articles of Association of FPTTPL and	28.5	Pending hearing and final disposal.

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. in millions- approx.)	Current Status
			<p>misappropriated sums of FPPTTPL disposing the same in Bluestar Hospitality Pvt. Ltd., one of the Defendants, which was incorporated for this purpose by Pranab Pal. The order passed by the Company Law Board was challenged by Mr. Pranab Pal, Across India Pvt. Ltd before the Delhi High Court and M/s Blustar Hospitality before the Bombay High Court, Panaji Bench by way of an appeal.</p> <p>The Delhi High Court vide its order dated 5 December 2005 allowed the appeals and directed Mr Pranab Pal and Across India Pvt. Ltd to deposit a sum of Rs.28.5 million as security during the pendency of the final proceedings before the Company Law Board.</p> <p>The Bombay High Court, Panaji Bench vide its order dated 25 July 2006 disposed of the petition for want of cause of action.</p> <p>An SLP No. 6597/2006 has been preferred to the Supreme Court by Pranab Pal challenging the orders of the Delhi High Court. The Supreme Court vide its order dated 20 April 2009 dismissed the appeal and the matter was reverted back to Company Law Board for final disposal.</p>		

**I. Proceedings initiated by Far Pavilions Tour and Travels Pvt. Ltd (“FPTTPL”), part of our Promoter Group**

**(a) Civil Proceedings**

<b>Sr. No</b>	<b>Forum</b>	<b>Filed Against</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. in millions- approx.)</b>	<b>Current Status</b>
1.	Civil Judge Junior Division  Reg. C.S. No. 33/2005/C & Civil Miscellaneous Application. No.106/05/C in Reg. C.S. 33/05/C	TUI Nordic AB, TUI AG, TUI Nordic Holding AB (“Defendants”)	The agency agreement dated 6 January, 2005 (“Agency Agreement”) and Addendum dated 14 January, 2005 executed by and between FPTTPL and the Defendants in relation to a hotel project in which FPTTPL was to make available rooms for the Defendants. The Agency Agreement had a non compete clause as a precondition. It was alleged by FPTTPL that the Defendants were desirous of discussing new terms of the Agency Agreement. Hence in order to restrain the Defendants from doing so, FPTTPL initiated specific performance of the Agency Agreement. FPTTPL was granted temporary injunction by an order dated April 8, 2005.	N.A.	An application under Order 39 Rule 4 of the CPC was preferred by the Defendant and the order dated April 8, 2005 was vacated by order dated March 4, 2006 of the Civil Judge, Senior Division.  An appeal is filed against the above order before the before City Civil and District Judge, Panaji.
2.	High Court of Bombay at Goa Writ Petition 286 of 2005	1) TUI Nordic Holding AB 2) Mr Goram Mikelsen 3) Ms Reshma Alves 4) Across India Tourism (“Respondents”)	FPTTPL has filed this Writ petition praying for the court to quash and set-aside the order dated July 19, 2005 of the Court of Civil Judge of Junior Division dismissing the application of FPTTPL for transposition of Respondent No. 2 as Defendant No. 2 in regular civil suit number 33 of 2005, more particularly described hereinabove.  FPTTPL has also prayed to allow its	N.A.	Pending hearing and final disposal.

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. in millions-approx.)	Current Status
			application for transposition, thereby allowing the said application and dismissing the application for transposition dated 29 June 2005 made by Respondent No.2 for transposition of the petitioner in the said suit.		
3.	Civil Judge, Senior Division  Special Civil Suit No. 80 of 2005	TUI Nordic AB, TUI AG, TUI Nordic Holding AB  Fritidsresor AB, Fritidsresor Tours and Travels India Pvt Ltd, Le Passage to India Tours and Travels India Pvt Ltd, Across India Tourism Pvt Ltd and Pranab Pal. <b>("Defendants")</b>	These proceedings are initiated by FPTTPL against the Defendants in relation to letter dated July 4, 2005 allegedly sent by the Defendants regarding termination of the Agency Contract dated January 6, 2005, ("Contract") in an attempt to allegedly breach the Contract's negative covenants and for acts to malign and defame FTTPPL.  FPTTPL has sought declaration that the termination of Contract is illegal and not valid under law and a permanent injunction restraining the Defendants from acting in breach of the contract.	100	Application for temporary injunction made by FPTTPL was dismissed. An appeal has been preferred before the High Court of Bombay (Panjim Bench), vide Appeal no.56 of 2006, from the order of the Civil Judge Senior Division at Panaji dated 4 March 2006 rejecting the application for injunction.  The temporary injunction application preferred by TUI Nordic Holding AB was granted, vide order of the Civil Judge Senior Division at Panaji dated 4 March 2006, restraining FPTTPL from joining TUI Nordic Holding AB in any other court proceeding with TUI Nordic. This order has also been challenged before the High Court of Mumbai, Panjim Bench vide Appeal no.56 of 2006.  The Appeal no.56 of 2006 is pending hearing and final disposal.

**(b) Criminal Proceedings**

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. in millions- approx.)	Current Status
1.	Court of the Additional Chief Metropolitan Magistrate, New Delhi  CC No 1670/1/06	Amit Kishore, Savio Fernandes and Others  ("Accused")	The Complaint has been filed against the Accused alleging that they have committed criminal breach of trust by utilizing the property of FPTTPL for purposes other than those expressed in the Articles of Association of FPTTPL.  FPTTPL has also alleged that Amit Kishore had availed large sums for foreign travel without proper documentation, availed loans on behalf of FPTTPL, misappropriated it and purchased personal property using the funds of FPTTPL.	2.3	Pending hearing and final disposal.
2.	Court of the Additional Chief Metropolitan Magistrate, New Delhi  CC No 1885/1/06	Manish Pratik, Savio Fernandes and Others  ("Accused")	This complaint was filed against the Accused alleging that they have committed criminal breach of trust by utilizing the property of FPTTPL for purposes other than those expressed in the Articles of Association of FPTTPL.  FPTTPL has also alleged that Manish Pratik availed large sums for foreign travel without proper documentation, availed loans on behalf of FPTTPL and misappropriated it and purchased personal property using the funds of FPTTPL.	1.02	Pending hearing and final disposal.
3.	Court of the Additional Chief metropolitan Magistrate, New Delhi	Pranab Pal, Shriparna Pal, Savio Fernandes, Linette Luis and Others  ("Accused")	This complaint was filed against the Accused alleging that they have committed criminal breach of trust by utilizing the property of	28.5	Pending hearing and final disposal.

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. in millions-approx.)	Current Status
	CC No 1073/1/06		FPTTPL for purposes other than those expressed in the Articles of Association of FPTTPL.  Additionally, the Accused are alleged to have availed loans in the name of FPTTPL as well as misappropriated amounts availed for sales promotion.		

**J. Consumer Proceedings initiated against Ezeego One Travel and Tours Limited, (“Ezeego”)**

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In Millions approx.)	Current Status
1.	District Consumer Disputes Redressal Forum, Surat  (Case No. 128/2008)	Mr Venkateswara Rao (“Complainant”)	The Complainant has alleged that he had booked an e-ticket via the website of Ezeego, www.ezeego1.go.in, the confirmation along with the details of booking were sent to him via emails.  However, when the Complainant reached the airport, he was informed that due to clerical error n the part of the Executive handling the booking from the airlines, the airlines failed to generate an e-ticket. Refund of the entire amount of airfare has been done to the Complainant.	0.55	Pending hearing and final disposal.

2.	District Forum Consumer Protection, Jodhpur  (Compliant No. 186/2008)	Ms Neetu Gupta (“ <b>Complainant</b> ”)	<p>The Complainant has alleged that she had booked an e-ticket via the website of Ezeego, www.ezeego1.go.in, the confirmation along with the details of booking were sent to him via emails.</p> <p>However, when the Complainant reached the airport, she was informed that due to clerical error n the part of the Executive handling the booking from the airlines, the airlines failed to generate an e-ticket resulting in the cancellation of the booking. Refund of the entire amount of airfare has been done to the Complainant.</p> <p>She has filed a case for negligence and has claimed that due to the error which resulted in cancellation of her airline tickets, the Complainant and her company suffered immense loss and mental agony.</p>	0.04	Pending hearing and final disposal.
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3.	Consumer Disputes Redressal Forum, Mumbai  Complaint No. 148/2009	Mrs Ritika Pahwa, Ms Gauri Gavaskar & Ms Yojana Gupta  (together the “ <b>Complainants</b> ”)	<p>The Complainants have alleged that he had booked an e-ticket via the website of Ezeego, www.ezeego1.go.in, the confirmation along with the details of booking were sent to him via emails.</p> <p>However, when the Complainants reached the airport, they were informed that due to some error, their boarding passes could not be issued inspite of confirmation of booking by the airlines and Ezeego.</p> <p>They have filed a case for negligence and has claimed that due to the error which resulted in failure to issue their boarding passes, the Complainants suffered immense loss and mental agony.</p>	0.4	Pending hearing and final disposal.
4.	District forum Consumer Protection, Bharatpur  Complaint No. 165/2009	Mr Rakesh Khandelwal  (“ <b>Complainant</b> ”)	<p>The Complainant has alleged that he had booked two airline tickets via the website of Ezeego, www.ezeego1.co.in, the confirmation of which was sent to him via emails. However, when the Complainant reached the airport, he was informed that due to some confusion of initials, only one ticket was booked. The second booking was automatically cancelled on presumption of duplicate bookings.</p> <p>He has filed a case for negligence and has claimed that due to the error which resulted in cancellation of his airline tickets, the Complainant suffered monetary loss and caused to him immense mental agony.</p>	0.4	Pending hearing and final disposal.

5.	<p>Consumer Disputes Redressal Forum, District Forum-III (West), NCT of Delhi</p> <p>Complaint no. 685/2008</p>	<p>Mr Gaurav Gupta  (“Complainant”)</p>	<p>The Complainant has alleged that he had booked two airline tickets via the website of Ezeego, www.ezeego1.co.in, the confirmation of which was sent to him via emails. However, when the Complainant reached the airport, he was informed that the flight had been pre-poned. The complainant was not informed the pre-ponement of flight by more than 2 hours. The Complainant claimed refund of his airfare from the airlines, however, the airlines directed him to contact his travel agent for the refund.</p> <p>He has filed a case for negligence and has claimed that due to the error, the Complainant suffered monetary loss and it caused to him immense mental agony.</p>	0.1	Pending hearing and final disposal.
6.	<p>Consumer Disputes Redressal Forum, District Forum-X, NCT of Delhi</p> <p>Complaint no. 244/2008</p>	<p>Mr Mukesh Somani  (“Complainant”)</p>	<p>The Complainant has alleged that he had booked four airline tickets via the website of Ezeego, www.ezeego1.co.in under the 50% cash back offer scheme. However, due to some clerical error on the part of the airlines, his airline tickets were cancelled. He claimed refund of the airfare but was informed that the same will be done after deduction of cancellation charges.</p> <p>He has filed a case for deficiency in service and has claimed that due to the error which resulted in cancellation of her airline tickets, the Complainant suffered monetary loss and it caused to him immense mental agony.</p>	0.07	Pending hearing and final disposal.

7.	Consumer Disputes Redressal Forum, Mumbai  Complaint No. 505/2008	Brig. (Retd.) Mohan I. Jaisinghani	The Complainant has alleged that he had booked three airline tickets via the Call Centre of Ezeego. Since the payment transaction timed-out, his airline tickets were not confirmed, however, the amount of his airfare was credited from his bank account. No confirmation of his booking was done due to an inherent technical error.  He has filed a case for deficiency in service and has claimed that due to the error which resulted in non-confirmation of his air tickets, the Complainant suffered monetary loss and it caused to him immense mental agony.	1.1	Pending hearing and final disposal.
8.	District Consumer Disputes Redressal Forum, Pune  (Complaint No. 103/ 2008)	Dr. Arun Kumar Shah  (“Complainant”)	The Complainant has alleged that he had booked an airline ticket via the website of Ezeego, www.ezeego1.com. However, a day prior to departure he got to know that the flight did not operate on that sector since three months.  He has alleged deficiency in services and has claimed that he suffered monetary losses.	1	Pending hearing and final disposal.
9.	District Consumer Disputes Redressal Forum, Gurgaon  (Complaint No. 56 / 2008)	Saurabh Mehta  (“Complainant”)	The Complainant has alleged that he had booked four airline tickets. However, one of his tickets was cancelled.  He has alleged deficiency in services and has claimed that he suffered mental harassment and monetary losses.	0.23	Pending hearing and final disposal.

### Tax proceedings initiated by Ezeego

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. In millions- approx.)	Current Status
1.	Commissioner of Income Tax (Appeals)	Income Tax Officer, Mumbai	<p>This appeal is filed against the order of the Assessing Officer (“AO”) dated 5 November 2008, for the AY 2006-2007.</p> <p>Our Company has challenged the order of the AO on the grounds that the AO has erred in disallowing expenses incurred post set-up of business and for disallowing depreciation on the assets put to use during the year.</p>	N.A.	Pending hearing and final disposal.

### K. Proceedings initiated by/against the Tulip Group, which comprises of the following:

1. Tulip Star Hotels Limited
2. V Hotels Limited (formerly known as Tulip Hospitality Services Limited)
3. Tulip Hotels Private Limited
4. ABK Enterprises Private Limited
5. Tulip Star Leisure & Health Resorts Limited

Since the proceedings involving Tulip Group are all interlinked, they have been grouped according to the matter involving them.

1. Proceedings from Serial No. 1-11 are all interlinked. Tulip Hotels Pvt. Ltd., (“THPL”) had originally entered into a Memorandum of Understanding, (“MOU”) with Dr. Shailendra Mittal for forming a Joint Venture Company, (“JVC”) for managing the Bogmallo Beach Resort, Goa, (“BBR”), owned by Trade Wings Hotels Ltd., (“TWHL”) along with other hotels and resorts, which is valid for 10 years. Thereafter, a Shareholder’s Agreement, (“SHA”) was entered into between THPL, Dr. Ajit B. Kerkar, Trade Wings Ltd. (“TWL”) on June 9, 2000, for the purpose of laying down the terms of purchase of shares in TWHL and for laying down the manner in which the JVC is to be managed. However, the JVC was not incorporated, as THPL was substituted to manage the affairs of the BBR by virtue of THP agreeing to purchase 50% shares of TWHL.

Sr. No.	Forum	Parties	Brief Particulars	Quantum (Rs. in million, approx.)	Current Status
1.	Civil Judge Senior Division, Vasco Da Gama  Special Civil Suit 07 /07 / A / 2007	Trade Wings Ltd., Dr. Shailendra Mittal & Trade Wings Hotels Ltd. (“Plaintiff”) V/s Mr. Ajit Baburao Kerkar, Tulip Hotels Pvt. Ltd, Tulip Star Leisure & Health Resorts Ltd., Mr. Boppana	The Plaintiffs have filed this suit praying for termination of the MOU and to have it stand inoperative with effect from November 1, 2006, directing the Defendants to render a full and complete account of all amounts received by them while managing the Resort on a time sharing basis, and that the Defendants be restrained by way of permanent injunction from holding themselves out to be the owners or part owners of the Resort. The Plaintiffs have also prayed for a number of interim reliefs.	N.A.	Matter adjourned Sine Die by consent of the parties as application u/s 11 of the Arbitration and Conciliation Act, 1996 is pending before the High Court of Bombay at Goa.

Sr. No.	Forum	Parties	Brief Particulars	Quantum (Rs. in million, approx.)	Current Status
		Dwarkanath , Mr. V R Agnihotri & Mr. Sudhanshu Purohit ("Defendants")			
2.	Civil Judge Senior Division, Vasco Da Gama  Miscellaneous Civil Application in Special Civil Suit 07 /07 / A / 2007	Mr. Ajit Baburao Kerkar, Tulip Hotels Private Limited ("Applicants") v. Trade Wings Ltd., Dr. Shailendra Mittal & Trade Wings Hotels Limited, Tulip Star Leisure & Health Resorts Ltd., Mr. Boppana Dwarkanath , Mr. V R Agnihotri & Mr. Sudhanshu Purohit ("Respondents")	These proceedings are filed under section 8 of the Arbitration and Conciliation Act, 1996 for directing the parties to refer the matter under Special Civil Suit 07 / 07 / A / 2007 to arbitration.	N.A.	Adjourned Sine Die.
3.	High Court of Bombay at Goa	Tulip Hotels Private Limited, Mr. Ajit Baburao Kerkar ("Applicants") v. Trade Wings Limited, Dr. Shailendra Mittal & Trade Wings Hotels Limited, Tulip Star Leisure & Health Resorts Limited, Mr. Boppana Dwarkanath , Mr. V R Agnihotri & Mr. Sudhanshu Purohit ("Respondents")	The Applicants have filed this appeal to seek additional reliefs which were denied by the Principal Judge, District and Sessions Court, South Goa vide order dated November 26, 2007 in arbitration application no. 3 / 2007.	N.A.	Pending hearing and final disposal
4.	High Court of Bombay at Goa	Trade Wings Limited, Dr. Shailendra Mittal & Trade Wings Hotels Limited, Tulip Star Leisure & Health Resorts Limited, Mr. Boppana	The Applicants have filed this appeal to set aside order dated November 26, 2007 of the District and Sessions Court, South Goa in arbitration application no. 3 / 2007.	N.A.	Pending hearing and final disposal

Sr. No.	Forum	Parties	Brief Particulars	Quantum (Rs. in million, approx.)	Current Status
		Dwarkanath , Mr. V R Agnihotri & Mr. Sudhanshu Purohit ("Applicants") v. Tulip Hotels Private Limited, Mr. Ajit Baburao Kerkar ("Respondents")			
5.	Supreme Court of India  Special Leave Petition	Tulip Hotels Private Limited & Mr. Ajit Baburao Kerkar ("Petitioners") v. Trade Wings Limited, Dr. Shailendra Mittal & Trade Wings Hotels Limited ("Respondents") (Collectively referred to as "Parties")	The Petitioners filed these proceedings under section 11 of the Arbitration and Conciliation Act, 1996, before the High Court of Bombay, for the appointment of Arbitrator to resolve the disputes between the Parties, which arose as a result of the SHA. The SHA specifically provided for resolving of the disputes through arbitration, in the event conciliation proceedings fail, which was the case in the above matter.  The High Court rejected the above application vide its Order dated 14 September 2009. The Petitioners have preferred an appeal in the Supreme Court through a Special Leave Petition.	N.A.	Pending hearing and final disposal.
6.	Addl. Chief Metropolitan Magistrate, 47th Court, Esplanade, Mumbai CC NO 4700080/SW/07	Trade Wings Hotels Limited ("Complainant") V/s Mr. Ajit Baburao Kerkar, A S Anantharaman, B. Dwarkanath, Sudhanshu Purohit, Kanwal Jeet Sindhu & S.A. Paigankar ("Accused")	This complaint has been filed under sections 403, 409, 418, 468, 471, 120-B, read with sections 34, 201, 204 and 511 of the Indian Penal Code alleging that the Accused have misappropriated funds amounting to approximately Rs. 331 Million by allegedly allotting rooms on a time sharing basis.	331	Process issued under Sections 409, 468, 471, 120-B and 34 of Indian Penal Code.  Pending hearing and final disposal.
7.	Metropolitan Magistrate, 23rd Court, Esplanade, Mumbai  CC NO 3105/SS/2006	Trade Wings Hotels Limited through Mr. Ajay Vageria, its Authorised Representative ("Complainant") V/s ABK Enterprises Private Limited and	This complaint has been filed under section 138 of Negotiable Instruments Act, 1881 for dishonour of cheque dated November 1, 2006 bearing No. 184252 by the Accused for an amount of Rs. 97.97 Million.	82.9	Process issued for clearing the payment due on December 8, 2006.  Pending hearing and final disposal.

Sr. No.	Forum	Parties	Brief Particulars	Quantum (Rs. in million, approx.)	Current Status
		Mr. Ajay Baburao Kerkar ("Accused")			
8.	Supreme Court of India  Special Leave Petition No. 5246 / 2008	Mr. Ajit Baburao Kerkar ("Petitioner")  Vs.  TWHL & Another.	This special leave petition has been filed by the Petitioner to set aside the order dated February 25, 2008 of the Bombay High Court in Criminal Writ Petition No. 2182 of 2007	N.A.	The Supreme Court has vide its order dated August 11, 2008 stayed the criminal proceedings pending the hearing and final disposal of this special leave petition. The next date of the matter in the Supreme Court is December 2009
9.	Supreme Court of India  Special Leave Petition No. 5246 / 2008	A.B.K. Enterprises Private Limited ("Petitioner")  Vs.  TWHL and another.	This special leave petition has been filed by the Petitioner to set aside the order dated February 25, 2008 of the Bombay High Court in Criminal Writ Petition No. 2162 of 2007.	N.A.	The Supreme Court has vide its order dated August 11, 2008 stayed the criminal proceedings pending the hearing and final disposal of this special leave petition. The next date of the matter in the Supreme Court is December 2009

2. The following three proceedings are interlinked:

Sr. No	Forum	Parties	Brief Particulars	Quantum (Rs. In Millions Approx.)	Current Status
1.	High Court of Bombay  Company Petition No. 1017 of 2003	Tremac India Pte Ltd.  ("Petitioners")	This winding up petition is filed by the Petitioners under sections 433 and 434 of the Companies Act, 1956 for winding up of Tulip Hospitality Services Ltd., ("THS"). The Petitioner allegedly raised funds from Canara Bank and Vijay Bank in 2002 for THS, for which the Petitioner was not paid his dues. THS has however has responded by alleging that the funds were raised due to good office of their chairman, Mr. Ajay Baburao Kerkar and not due to the Petitioners.	6.75	Pending hearing and final disposal.

Sr. No	Forum	Parties	Brief Particulars	Quantum (Rs. In Millions Approx.)	Current Status
2.	High Court of Bombay  Company Application No.83 of 2009 in Company Petition No. 1017 of 2003	Tremac India Pte Ltd.  ("Applicants")	This Company Application has been filed on 14 January 2009, by the Applicants, alleging that, by the consent terms, dated 25 April 2005, filed before the High Court of Bombay in Company Petition No.1017 of 2003, Tulip Hospitality Services Ltd., ("THS") failed to deposit the admitted amount of Rs.67.50 lakhs together with interest @ 24% p.a. from 1 April 2002 till the date of deposit, the Applicant has further alleged that as a consequence of the failure of THS to comply with the said consent terms the Company Petition 1017 of 2003 still stood admitted.	6.75	Pending hearing and final disposal
3. 4.	Metropolitan Magistrate, 8th Court, Esplanade, Mumbai  CC No. 938/17/2004	Tulip Hospitality Services Ltd. through its Director, Mr. Shailesh Modi ("Complainant") Vs. Mr. S. Chandrasekhar, Managing Director, Tremac India Pte. Ltd., and others ("Accused")	The Complainant has filed this complaint under sections 420, 467, 468, 471 and 120-B of the Indian Penal Code.  The Complainant has alleged that the Winding Up Petition (Company Petition No. 1017 of 2003) filed by the Accused has been filed along with forged and fabricated documents. The Complainant had initially filed the complaint against the Economic Offences Wing on May 10, 2004 but due to paucity of time, lodged this present complaint before the Magistrate.	N.A.	Joint Commissioner has been ordered to take cognizance and file a First Information Report and start investigation.  Pending hearing and final disposal.



3. The following four proceedings are interlinked:

Sr. No	Forum	Parties	Brief Particulars	Quantum (Rs. In Millions Approx.)	Current Status
1.	Sole Arbitrator Justice Mr. S N Variva (Retired Supreme Court Judge)	Tulip Hospitality Services Limited (“THSL”), Tulip Hotels Pvt. Ltd., Tulip Star Hotels Ltd. (“TSHL”) & Dr. A B Kerkar (“Claimants”) V/s. Siddivinayak Realities Pvt. Ltd. (“Respondent”)	<p>This Arbitration is initiated in accordance with the terms as stipulated in the Master Asset Purchase Agreement, (“Agreement”) dated May 31, 2005 entered into between the Claimants and the Respondent. This Agreement had to be performed by June 1, 2005, as provided in the terms of the agreement.</p> <p>The Respondents, allegedly, after paying less than 20% of the total consideration as specified in the Agreement, vide their letter dated July 21, 2005, declared that it would not make further payment until a CBI enquiry gives a clean chit to the disinvestment process by which the subject property for which the Agreement was entered into, was originally acquired by THSL.</p> <p>The claim is for:  a) declaring the Claimants are not bound by the Agreement as it was terminated by the alleged breach of the Respondent and damages amounting to Rs. 2000 million; alternatively  b) declaration that parties are not bound by the Agreement as it is void under sec 32 – 35 and 56 of the Indian Contract Act and that there will be no refund of amounts; alternatively  c) declaration that the Respondent is in default of payment of sale consideration and consequently the Claimant is entitled to exercise his right under clause 15.1 of Agreement, the time period for refund of</p>	2000	Pending hearing and final order.

Sr. No	Forum	Parties	Brief Particulars	Quantum (Rs. In Millions Approx.)	Current Status
			<p>90% consideration, free of interest; alternatively d) declaration that since the Respondent was not ready and willing to perform the contract it is not entitled to specific performance of clause 16B or clause 15.3.2. of the Agreement.</p> <p>Arbitrator, Justice Mr. S N Variva (Retired Supreme Court Judge), vide his directions dated 16 June 2006, restrained the Joint Escrow Agent from proceeding further in this matter.</p>		
2.	Sole Arbitrator A. V Sawant (Retired Chief Justice of Kerala High Court)	<p>Nirmal Lifestyles Ltd. ("Claimant")</p> <p>V/s</p> <p>Tulip Hospitality Services Limited, Tulip Hotels Pvt. Ltd., Tulip Star Hotels Ltd. ("TSHL") and Dr. A B Kerkar</p> <p>("Respondent")</p>	<p>This arbitration is initiated in accordance with the agreement dated June 21, 2003, ("Agreement") and Supplementary Agreement dated October 17, 2003, entered into between the Claimant and the Respondent, wherein the Claimant had been given the license to develop a shopping mall on the basement, ground floor and the first floor of the Tulip Star Hotel, Juhu, ("Premises"). The Claimant has alleged that the Respondent has failed to fulfil the responsibilities provided in the Agreement and has wrongfully barred the Claimant to enter the Premises. The Claimant has also allegedly paid a huge amount of Rs. 306 Million to the Respondent, outside the terms of the Agreement.</p> <p>Thus the Claimant has prayed for reinstatement of interest in the Premises and damages due to loss occasioned to the Claimant.</p>	6504.2	Pending hearing and final disposal.
3.	High Court of Bombay	OM Navani ("Plaintiff")	Please refer to Serial No. 4 under the civil proceedings against the Company as disclosed in this Red Herring Prospectus.		

Sr. No	Forum	Parties	Brief Particulars	Quantum (Rs. In Millions Approx.)	Current Status
		Vs. A B Kerkar, Tulip Hotels Pvt. Ltd., V Hotels Ltd. (formerly, Tulip Hospitality Services Ltd.), Tulip Stars Hotels Ltd., Cox and Kings (India), Ajay Ajit Peter Kerkar, Urshila Kerkar, Elizabeth Kerkar & 4 Others (“Defendants”)			
4.	Company Law Board, Additional Principal Bench at Chennai.  Company Petition 44/2006	Tulip Hotels (P) Ltd. (“Petitioner”)  V/s  Kalpatharu Resorts (P) Ltd. & Others (“Respondents”)	This petition is filed by the Petitioner, who holds 30% stake in the shareholding of the Respondent. The Petitioner and the original Promoters of the Respondent Company were to each hold 50% of the total paid up equity share capital. The original Promoters allegedly did not allow the Petitioners to acquire the additional 20% of the equity share capital and hence this petition.	N.A.	Pending hearing and final disposal.

4. The following proceedings are interlinked:

Sr. No	Forum	Parties	Brief Particulars	Quantum (Rs. in millions- approx.)	Current Status
1.	Industrial Court, Bandra, Mumbai  ULP 338 of 2005	Union of Centaur Tulip Employees & Ors (“Complainants”)  V/s  Tulip Star Hotels Ltd., Tulip Hospitality Services Ltd., Mr. Ajay Baburao Kerkar and Ors. (“Respondents”)	1) The Respondent floated a Voluntary Retirement Scheme (VRS) and the applications of the Complainants were accepted on January 29, 2004. Under the VRS the employees were entitled to get their dues within 3 months i. e. before April 29, 2004.  2) However, because of financial difficulties there was delay in	N.A.	Pending hearing and final disposal.

Sr. No	Forum	Parties	Brief Particulars	Quantum (Rs. in millions-approx.)	Current Status
			<p>implementation of VRS.</p> <p>3) The Complainants after receiving part of the VRS withdrew a Suit filed by them earlier in Bombay High Court and filed a complaint under the Maharashtra Recognition of Trade Union and Prevention of Unfair Labour Practices Act, 1971 for praying for their employment.</p> <p>4) The Respondents filed an objection stating that this Court Complain was not maintainable.</p> <p>5) The Industrial Court rejected the objection and held that the complaint was maintainable and that as the Company had not paid the VRS dues to the workers as per the time stipulated in the VRS Scheme and acceptance letter, the employees were justified in withdrawing the consent.</p> <p>6) The Respondents filed Writ Petitions (W.P.No.3112 of 2005) before the Bombay High Court challenging the maintainability of the Complaint. The Bombay High Court dismissed the same affirming the view of the Industrial Court.</p> <p>7) The Respondents filed an SLP in the Supreme Court (SLP No.6787 of 2006). The Supreme</p>		

Sr. No	Forum	Parties	Brief Particulars	Quantum (Rs. in millions- approx.)	Current Status
			<p>Court, vide order dated 10 May 2007, was pleased to remand the matter to the before the Bombay High Court. The matter is presently pending before the Learned Single Judge of this Court.</p> <p>8) On January 13, 2006 the Industrial Court passed interim order in C (ULP) No. 338 / 05 directing Respondent Nos. 6 to 8 herein to furnish Bank Guarantee covering the total liabilities of payment of wages, allowances, bonus, gratuity, PF and other remunerations and emoluments of the workmen to their respective dates of retirement and / or disposal of the Complaint, whichever is earlier; and directing said Respondents to pay full wages to the workmen every month till the disposal of complaint. Respondents were restrained from creating third party interests so as to affect the rights and interests of the workmen and until they furnish the aforementioned bank guarantee and made payment as directed, immovable property of the company stood attached.</p> <p>9) Against the above Industrial Court Order dated January 13, 2006 the Respondents filed a Writ Petition before Bombay High Court</p>		

Sr. No	Forum	Parties	Brief Particulars	Quantum (Rs. in millions- approx.)	Current Status
			<p>(W.P. No.796 of 2006)  The Bombay High Court directed to deposit monthly wages of the workmen and that the workmen in turn would give an undertaking that in the event of losing the main Complaint, the company would be entitled to adjust the claim amount out of the amount of VRS lying with them. This arrangement would continue till the final disposal of the Complaint or for six months from the date of the High Court Order, i.e. April 4, 2006, whichever is earlier. Complaint was directed to be disposed off on or before August 31, 2006. It was however, clarified that if the Complaint is not disposed off within the said period, then, both the parties would be liberty to take necessary application to this Court for further directions in the matter. Till final disposal of the Complaint, all the immovable properties of the company being building, land, furniture, fixtures stand attached. However, proceedings could not be completed within the time limit and are still pending before the Industrial Court, The Trade Union/ (Petitioners) has taken out Notice of Motion No.614 of 2006 in the Writ Petition, for</p>		

Sr. No	Forum	Parties	Brief Particulars	Quantum (Rs. in millions- approx.)	Current Status
			further wages to be paid. This Motion is pending for hearing before this Court.		

5. The following proceedings are debt recovery proceedings:

Sr. No	Forum	Parties	Brief Particulars	Quantum (Rs. In Millions Approx.)	Current Status
1.	Debt Recovery Appellate Tribunal (“DRAT”)	Vijaya Bank (“Applicant”) V/s Tulip Hospitality Services Ltd. (“Respondent”)	<p>THSL preferred an appeal, before the DRAT, being Appeal No.170 of 2007 for staying the order of the DRT dated 31 January 2007, wherein the DRT disposed off the interim application for cross examination.</p> <p>The DRAT vide its order dated 25 September 2008 granted the above stay.</p> <p>This recovery proceeding is initiated by the Applicant to recover the amount advanced by way of term loan to the Respondent and to stop process of sale, acting on the alleged news that the Respondent was being sold.</p>	247	Pending hearing and final disposal.
2.	Debt Recovery Tribunal	Indian Bank (“Applicant”) V/s Tulip Hospitality Services Ltd. (“Respondent”)	This recovery proceeding is initiated by the Applicant to recover the amount advanced by way of term loan to the Respondent and to stop process of sale, acting on the alleged news that the Respondent was being sold.	100	One Time Settlement in process.

**(i) Tax Proceedings concerning the Tulip Group**

**(a) Tulip Hotels Pvt. Ltd. (“THPL”)**

<b>Sr. No</b>	<b>Forum</b>	<b>Filed Against</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In millions-approx.)</b>	<b>Current Status</b>
1.	Income Tax Appellate Tribunal. Mumbai  ITA No. 6490/Mum/08	Order of Commissioner of Income Tax (Appeals) Central VI, Mumbai dated 6 October, 2008  Dy. Commissioner of Income Tax  ("Respondent")	This appeal is filed against the order passed by the Commissioner of Income Tax (Appeals) Central VI, Mumbai dated 6 October, 2008. The Assessing Officer while assessing the income tax return of THPL for the assessment year 2004-05 made a demand for Rs.54.2 Million. THPL challenged the abovementioned assessment order before Commissioner of Income Tax (Appeals) which vide its order dated 6 October 2008 partly allowed the appeal. THPL has preferred an appeal before the ITAT and has obtained a stay vide the ITAT's order dated 27 April 2009.	54.2	Pending hearing and final disposal
2.	Income Tax Appellate Tribunal. Mumbai  ITA No. 6491/Mum/08	Order of Commissioner of Income Tax (Appeals) Central VI, Mumbai dated 23 October, 2008  Dy. Commissioner of Income Tax  ("Respondent")	This appeal is filed against the order passed by the Commissioner of Income Tax (Appeals) Central VI, Mumbai dated 23 October, 2008. The Assessing Officer while assessing the income tax return of THPL for the assessment year 2005-06 made a demand for Rs.45.5 Million. THPL challenged the abovementioned assessment order before Commissioner of Income Tax (Appeals) which vide its order dated 23 October 2008 dismissed the appeal of THPL.  THPL has preferred an appeal before the ITAT and has obtained a stay vide the ITAT's order dated 27 April 2009.	45.5	Pending hearing and final disposal.

**(b) V Hotels Limited (formerly known as Tulip Hospitality Services Limited) ("VHL")**

**(ii) Tax Proceedings involving VHL**

<b>Income Tax</b>
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<b>Sr. No</b>	<b>Forum</b>	<b>Filed Against</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In millions- approx.)</b>	<b>Current Status</b>
1.	Income Tax Appealant Tribunal  Appeal No. 3324/M/08	Dy. Commissioner of Income Tax (Appeals)  ("Respondent")	This appeal is filed against the order passed by the Dy. Commissioner of Income Tax (Appeals) dated November 14, 2006. The Assessing Officer whilst assessing the income tax return of VHL for the assessment year 2003-04 reduced the loss declared by the Company from Rs. 399.36 Million to a loss of Rs. 130.95 Million by disallowing certain expenses claimed by VHL. THSL had challenged the abovementioned assessment order before Commissioner of Income Tax (Appeals). The Commissioner of Income Tax (Appeals) has vide its order dated January 22, 2008 (communicated to VHL on March 5, 2008) partly allowed the appeal.	Nil	VHL has filed an appeal dated March 25, 2008 before the ITAT against the order dated January 22, 2008 to the extent it has disallowed Appeal No. C/T(A)XXX11/IT/204/06-07  Dy. Commissioner of Income Tax has filed an appeal dated May 12, 2008 before the ITAT.  The matter is pending hearing and final disposal before ITAT.
2.	Income Tax Appealant Tribunal  Appeal No. 4783/M/08	Dy. Commissioner of Income Tax (Appeals)  ("Respondent")	This appeal is filed against the order passed by the Dy. Commissioner of Income Tax (Appeals) dated August 23, 2007. The Assessing Officer while assessing the income tax return of VHL for the assessment year 2004-05 reduced the loss declared by VHL from Rs. 370.11 Million to a loss of Rs. 181.95 Million. VHL challenged the abovementioned assessment order before Commissioner of Income Tax (Appeals). The Commissioner of Income Tax (Appeals) has vide its order dated March 15, 2008 partly allowed the appeal.	Nil	Dy. Commissioner of Income Tax has filed an appeal dated July 21, 2008 before the ITAT. The matter is pending hearing and final disposal.,
3.	Income Tax Appealant Tribunal  Appeal No. 5517/M/08	Commissioner of Income Tax (Appeals) order dated April 30, 2008	This appeal has been filed by the Dy. Commissioner of Income Tax against the order passed by the Commissioner of Income Tax (Appeals) dated April 30, 2008, wherein for the assessment year 2005-2006 the CIT(A) has allowed deputation and other cost claimed for Rs. 79,573,702; depreciation on intangible	Nil	Pending before the ITAT, no stay has been granted.

<b>Income Tax</b>					
<b>Sr. No</b>	<b>Forum</b>	<b>Filed Against</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In millions- approx.)</b>	<b>Current Status</b>
			assets of Rs. 65,078,290; deleting disallowance of hotel management fees of Rs. 5,356,841 and deleting addition of Rs. 4,409,606 on account of penal interest.		
4.	Commissioner of Income Tax (Appeals)	Order of the Dy Commissioner of Income Tax dated October 13, 2008	The Assessing Officer whilst assessing the income tax return of VHL for the assessment year 2006 -2007 reduced the loss declared by VHL from Rs. 263.6 million to a loss of Rs. 172.7 million. VHL challenged the abovementioned assessment order before Commissioner of Income Tax (Appeals).		Matter pending for hearing and final disposal.
<b>Lease Transfer</b>					
<b>Sr. No</b>	<b>Forum</b>	<b>Filed Against</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In millions- approx.)</b>	<b>Current Status</b>
1.	Additional Commissioner Konkan Division at Mumbai	Order of Collector, Mumbai Suburban District.  ("Respondent")	The Collector, Mumbai Suburban District has ordered the Hotel Corporation of India, vide its order dated June 2006 to pay Rs.44.8 million for failure of obtaining the necessary permission for transfer of the lease rights. The contention of the Collector was that along with the transfer of hotel the lease hold land was also transferred by Hotel Corporation of India, without necessary consent of the Government of Maharashtra. THSL has also been made a party to the proceeding. The order so passed by the Collector has been put up for the review by the Revenue Minister. The Addl Commissioner, Konkan Division, Mumbai in Appeal no.20/ 2009 vide order dated 19 January	44.8	Pending hearing and final disposal.

Income Tax					
Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. In millions-approx.)	Current Status
			2009 granted a stay on the notice issued by Collector MSD in case no 388/ 08.		
Entertainment Tax					
Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. In millions-approx.)	Current Status
1.	Divisional Commissioner, Konkan Division.  Appeal No 73/2005.	Tulip Hospitality Service Limited	The Additional Collector, Mumbai Suburban District vide his order dated October 24, 2003 ordered THSL to pay Rs.1.29 million as entertainment tax for an event which occurred on December 31, 2000, against which an appeal was filed by THSL on February 11, 2005. The Divisional Commissioner, Konkan Division vide an order dated September 20, 2005 dismissed the appeal and ordered the Government of Maharashtra to recover the dues from the Event Organizers and Hotel Corporation of India under whose possession this property was on the date of event. However, in the event of failure to recover the aforesaid amount from the Event Organizers and Hotel Corporation of India, THSL is liable to make the payment.	1.29	Pending hearing and final disposal.

(ii) Past proceedings wherein a penalty was imposed on VHL

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. In millions-approx.)
1.	Brihanmumbai Mahanagarpalika ("BMC")	V Hotels Limited.	VHL has received a penalty order from the Joint Mumbai Commissioner (I) for Greater Mumbai under Sec 207A (2) of the BMC Act, 10 (A) of the Maharashtra Education (Cess) Act, 1962. A penalty	

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. In millions- approx.)
			was levied against VHL for late payment of water and sewerage tax for the years 2005-06 and 2006-07 to the tune of Rs.2.60 million. The Small Causes Court has vide its order dated May 4, 2009 reduced the penalty amount of Water and Sewerage Tax payable by VHL. BMC has vide its letter dated May 25, 2009 directed VHL to pay a consolidated amount of Rs. 1,500,904. VHL has made the payment vide pay orders dated June 17, 2009 made the payment of Rs. 1,270,904 and Rs. 6,000. Further payment of Rs. 224,000 has been made under protest.	
2.	Divisional Commissioner, Konkan Division.  Appeal no 74/2005	Tulip Hospitality Service Ltd	The Additional Collector, Mumbai Suburban District vide his order dated March 24, 2003 ordered THSL to pay Rs. 0.25 million as entertainment tax for an event occurring on December 31, 2002, against which THSL filed an appeal on February 11, 2005. The Divisional Commissioner, Konkan Division vide an order dated September 20, 2005 dismissed the appeal and ordered the company to pay the aforementioned amount.	0.25

(iii) Show cause notices served on VHL

Sr. No	Notices	Served By	Brief Particulars	Quantum (Rs. In millions- approx.)	Current Status
1.	Show Cause Notice No. dated SR.DC (Asst) A-04/N.P.Dn/Recovery/B 1895 A dated January 5, 2006.	Sales Tax Officer	A show cause notice was served upon the Company for non filing of Sales Tax and Luxury Tax returns for the period 2003-04 and for late filing of returns for the period of 2004-05 to the tune of Rs.11.2 million. In reply to the notice, the company has requested to adjust the demand from its Stamp duty Refund.	11.2	Sales Tax authorities have intimated the Stamp Authorities for refund and have filed Form 39.
2.	Jt Commissioner of Sales Tax. BA-74/08-09/B1008	Order of the Dy. Commissioner of Sales Tax, dated 30 June 2008.	A show cause notice was served upon the Company for outstanding dues for the period 2002-03 to the tune of Rs.3.42 million. The Company has preferred an appeal before	3.42	Stay granted. Pending hearing and final disposal.

			the Jt Commissioner of Sales Tax and have obtained a stay vide its order dated 30 September 2008.		
3.	Jt Commissioner of Sales Tax. BA-107/08-09/B1009	Order of the Dy. Commissioner of Sales Tax, dated 30 June 2008.	A show cause notice was served upon the Company for outstanding dues for the period 2003-04 to the tune of Rs.8.72 million. The Company has preferred an appeal before the Jt Commissioner of Sales Tax and have obtained a stay vide its order dated 30 September 2008.	8.72	Stay granted. Pending hearing and final disposal.
4.	Jt Commissioner of Sales Tax. BA-108/08-09/B1010	Order of the Dy. Commissioner of Sales Tax, dated 30 June 2008.	A show cause notice was served upon the Company for outstanding dues for the period 2004-05 to the tune of Rs.1.50 million. The Company has preferred an appeal before the Jt Commissioner of Sales Tax and have obtained a stay vide its order dated 30 September 2008.	1.50	Stay granted. Pending hearing and final disposal.
5.	Jt Commissioner of Sales Tax. BA-74/08-09/B1008	Order of the Dy. Commissioner of Sales Tax, dated 30 June 2008.	A show cause notice was served upon the Company for outstanding dues for the period 2002-03 to the tune of Rs.3.42 million. The Company has preferred an appeal before the Jt Commissioner of Sales Tax and have obtained a stay vide its order dated 30 September 2008.	3.42	Stay granted. Pending hearing and final disposal.

(c) **Tulip Star Hotels Ltd. (“TSHL”)**

<b>Sr. No</b>	<b>Forum</b>	<b>Filed Against</b>	<b>Brief Particulars</b>	<b>Quantum (Rs. In millions- approx.)</b>	<b>Current Status</b>
1.	High Court of Delhi at New Delhi	Order dated March 28, 2008 of Income Tax Appellate Tribunal, New Delhi in Appeal No. 5376/03	TSHL filed an appeal against the order passed by the Assistant Commissioner of Income Tax dated March 28, 2003.  The Assessing Officer	4.01	Pending hearing and final disposal. No stay has been granted so far.

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. In millions-approx.)	Current Status
			<p>whiles assessing the income tax return of the Company for the assessment year 2000-01 made a demand for Rs. 4.01 Million, which was challenged by TSHL before Commissioner of Income Tax (Appeals), who vide his order dated September 30, 2003 granted THSL part-relief .</p> <p>Against the part additions confirmed by the Commissioner of Income Tax (Appeals), TSHL has filed an appeal before ITAT, New Delhi. The ITAT has vide order dated march 28, 2008 partly allowed the appeal.</p> <p>Commissioner of Income Tax (Appeals) has filed this appeal in the High Court of Delhi at New Delhi.</p>		
2.	High Court of Delhi at New Delhi	ITAT Order dated July 8, 2008	Deletion of penalty imposed u/s 271 of IT Act, 1961 for the assessment year 2000-2001. Appeal of CIT in ITAT was dismissed, thus CIT has filed appeal in the High Court of Delhi.	0.4	Pending hearing and final disposal
3.	High Court of Delhi at New Delhi	ITAT order dated July 11, 2008	<p>TSHL has filed an appeal against the order passed by the Assistant Commissioner of Income Tax dated March 15, 2004.</p> <p>The Assessing Officer whiles assessing the income tax return of TSHL for the assessment year 2001-02 made a demand for Rs.2.35 Million.</p> <p>TSHL challenged the said</p>	2.35	Pending hearing and final disposal before High Court of Delhi.

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. In millions-approx.)	Current Status
			<p>assessment order before Commissioner of Income Tax (Appeals) who vide his order dated March 20, 2007 granted us part-relief .</p> <p>Against the part additions confirmed by the Commissioner of Income Tax (Appeals), TSHL has filed an appeal before ITAT, New Delhi</p> <p>ITAT Order has appeal filed by VHL. Thus the current appeal has been filed by the CIT (A).</p>		
4.	High Court of Delhi at New Delhi	ITAT order dated July 11, 2008	<p>TSHL filed an appeal against the order passed by the Assistant Commissioner of Income Tax dated March 30, 2005.</p> <p>The Assessing Officer whilst assessing the income tax return of the Company for the assessment year 2002-03 made a demand for Rs.4.89 Million.</p> <p>TSHL challenged the said assessment order before Commissioner of Income Tax (Appeals) who vide his order dated March 20, 2007 granted us part-relief .</p> <p>Against the part additions confirmed by the Commissioner of Income Tax (Appeals), TSHL has filed an appeal before ITAT, New Delhi</p> <p>ITAT Order has appeal filed by VHL. Thus the current appeal has been filed by the CIT (A).</p>	4.8	Pending hearing and final disposal before High Court of Delhi.
5.	High Court of Delhi	ITAT order dated	TSHL filed an appeal	0.05	Hearing and final disposal

Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. In millions-approx.)	Current Status
	at New Delhi	August 8, 2008	<p>against the order passed by the Assistant Commissioner of Income Tax dated March 06, 2006.</p> <p>The Assessing Officer while assessing the income tax return of TSHL for the assessment year 2003-04 made a demand for Rs.13.3 Million.</p> <p>TSHL challenged the said assessment order before Commissioner of Income Tax (Appeals) who vide his order dated July 31, 2006 granted us part-relief.</p> <p>Against the part additions confirmed by the Commissioner of Income Tax (Appeals), TSHL has filed an appeal before ITAT, New Delhi</p> <p>ITAT Order has appeal filed by VHL. Thus the current appeal has been filed by the CIT (A).</p>		pending.
6.	CIT (Appeals)	ACIT Order dated December 12, 2008	<p>Assessment Year 2006-2007</p> <p>Assessing officer has Disallowed interest liability of Rs. 3,125,142 on borrowed capital for subscribing to the equity share capital of subsidiary V Hotels Limited (THSL)</p>	3.13	Hearing and final disposal pending.
7.	High Court of Delhi Income Tax. Appeal	Commissioner of Income Tax New Delhi.	<p>There are three appeals arising out of the same order of the ITAT in May 2007 for the Assessment Year 1998-99, 1999-2000 and 2003-04.</p> <p>The question that has arisen is whether ITAT</p>	N.A.	Pending hearing and final disposal.



Sr. No	Forum	Filed Against	Brief Particulars	Quantum (Rs. In millions-approx.)	Current Status
			was correct in deleting the disallowance of Rs.115.75 lacs for the FY 1998-99; Rs.340 lacs for the FY 1999-2000 and allowing Rs.475 lacs of interest as business expenditure.		
<b>Trade Tax</b>					
Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In millions-approx.)	Current Status
1.	Assistant Commissioner of Trade Tax, Lucknow	Assistant Commissioner	TSHL had paid an amount of Rs. 0.05 million and Rs. 0.13 million being trade tax computed at the rate of 10% on transactions conducted during the assessment years 1990-91 and 1991-92. However the Assistant Commissioner issued fresh notices to TSHL stating that the rate of tax applied by the Assessing Officer should have been 15% instead of 10%.	0.092	Pending hearing and final disposal.

**L. Proceedings initiated by/against Mr. Ajit Baburao Kerkar, part of our Promoter Group**

For proceedings initiated by Mr. Ajit Baburao Kerkar, please refer to serial numbers 2, 3, 5, 6 and 10 of Section K Point I under the proceedings initiated by/against Tulip Group, part of our Promoter Group as disclosed in this Red Herring Prospectus.

**M. Proceedings initiated against Mrs. Elizabeth Kerkar, part of our Promoter Group**

Sr. No	Forum	Filed By	Brief Particulars	Quantum (Rs. In Millions Approx.)	Current Status
1.	High Court of Bombay	OM Navani	Please refer to Serial No. 4 under the civil proceedings against the Company as disclosed in this Red Herring Prospectus.		

**N. Show Cause Notices Against Promoters & Promoter Group Entities**

A show cause notice was filed under Section 124 of the Customs Act, 1962 numbered DRI/BZU/B/62/97 against Cox and Kings Travel & Finance Ltd (Tulip Star Hotels) among other respondents for imposition of penalty under Sections 112 & 114 of the Customs Act, 1962 and funds amounting to Rs.1,286,250 due to be paid by Tulip Star Hotels was confiscated by

customs authorities. All matters relate to the transactions between Tulip Star Hotels and M/s Tiruchi Enterprises (the main defaulters) and the penalties were sought to be imposed on Tulip Star Hotels for abetting the aforementioned main defaulters. Tulip Star had in its preliminary interim replies refuted the allegations in the show cause notice and contended its sustainability due to lack of evidence.

The adjudication order was passed on 31 March, 2000 and the Commissioner of Customs upheld the confiscation of the aforementioned funds on the grounds that it was sales proceed of illegal exports. Tulip Star Hotels had preferred an appeal in CESTAT which was dismissed vide order dated 21 October, 2005.

#### **O. Past Proceeding Wherein a Penalty Was Imposed**

A Show Cause Notice was filed under Section 50 of the Foreign Exchange Regulation, 1973 ("FERA") numbered T-4/54-B/SDE/AKB/2002(III)/11726 against Tulip Star Hotels Ltd and its Promoter and director Ajay Ajit Peter Kerkar for contravening the provisions of Sections 8(1), 6(4), 6(5) & 7 of the FERA, 1973, Para 3 of FLM issued by the Reserve Bank of India. Tulip Star Hotels, vide replies dated 13 August, 2002 and 24 August, 2002, has refuted all the allegation in the show cause notice as it had taken due precautions in dealing with M/s. Hotel Zam Zam. The adjudication order passed on 28 October, 2004 by the Office of the Special Director of Enforcement imposed penalties on both Mr. Ajay Ajit Peter Kerkar & Tulip Star Hotels Ltd amounting to Rs. 50,000 each. Tulip Star Hotels as well as Mr. Ajay Ajit Peter Kerkar had preferred appeals on 15 December, 2004 before the appellate tribunal for grant of interim relief.

However, the Appellate Tribunal vide its order dated 2 July, 2008 dismissed the appeals and upheld the imposition of penalty under the provisions of FERA. Tulip Star Hotels as well as Mr. Ajay Ajit Peter Kerkar had preferred appeals being FEMA Appeal No. 3 of 2004 and Appeal No. 4 of 2004 before the High Court of Bombay for grant of interim relief as well as to set aside the Appellate Tribunal's order dated 2 July, 2008. This appeal has been admitted, by the High Court vide its order dated 7 January 2009 and is pending hearing and final disposal.

#### **Material Developments**

There have been no material developments since the last balance sheet dated March 31, 2009, otherwise than as disclosed in Management Discussion and Analysis on page 218 of the Red Herring Prospectus.

## GOVERNMENT AND OTHER APPROVALS

On the basis of the indicative list of approvals provided below, the Company can undertake this Issue and its current business activities and no further major approvals from any Government or regulatory authority, are required to undertake the Issue or continue these activities. Unless otherwise stated, these approvals are valid as of the date of this Red Herring Prospectus.

### Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

The Board of Directors has, pursuant to resolution passed at its meeting held on July 6, 2009, authorised the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act and such other authorities as may be necessary.

The shareholders of the Company have, pursuant to a resolution dated August 10, 2009, under Section 81(1A) of the Companies Act, authorised the Issue.

The Company has obtained in-principle listing approvals dated September 10, 2009 and September 11, 2009 from the BSE and the NSE, respectively.

The Company has also obtained necessary contractual approvals required for the Issue.

### Approvals for the Business

We require various approvals to carry on our business in India. The approvals that we require include the following:

Sr. No	Type of license, permit approval	Issuing Authority	Date of issue	Valid up to
1.	Authorized Dealer Category II – License	Reserve Bank of India, Foreign Exchange Department.	February 2, 2009	October 31, 2011
2.	Department of Tourism License	Ministry of Tourism, Government of India	May 23, 2008	March 3, 2013
3.	Permanent Account Number (PAN) AAACC1921B	Income Tax Department, Government of India	N.A.	N.A.
4.	IATA Registration Certificate (BR 14-3 4061 6) issued to Cox and Kings (India) Private Limited, Bangalore	International Air Transport Association	January, 2009	December, 2010
5.	Registration Certificate of Shop and Establishment (Form-C) issued to M/s Cox and Kings (India) Private Limited, Bangalore.	Department of Labour, Government of Karnataka	December 15, 2008	December 31, 2013
6.	Professional Tax Registration Certificate- Registration No. 20013218 issued to M/s Cox and Kings (India) Limited, High Point- IV No. 4111,45/1 Palace Road, Bangalore 560001	Assistant Profession Tax Officer, Government Of Karnataka	N.A.	N.A.
7.	Service Tax Registration Certificate (Registration No. AAACC1921BST023) under Section 69 of the Finance Act (32 of 1994) to M/s Cox and Kings (India) Limited, No.22, K.H Road, Bangalore.	Superintendent of Service Tax, Service Tax Commissionerate, Bangalore	N.A.	N.A.
8.	Tax Deduction Account No	Office of the ITO (TDS)	N.A	N.A.

Sr. No	Type of license, permit approval	Issuing Authority	Date of issue	Valid up to
	(TAN) (Bangalore) BLRC01140G as per the Income Tax Act, 1961	Bangalore		
9.	Certificate of Enrolment (ABS/06/PT/0790) and Certificate of Registration (ABS/o6/PT/0827) given to M/s Cox and Kings (India) Limited to carry on trade operation at 6-2-984/10 Pavani Plaza, Khairatabad	DY. Commercial Tax Officer, Hyderabad	April 17, 1998	NA
10.	IATA Registration Certificate (BR 14-3 5090 6) issued to Cox and Kings (India) Private Limited Hyderabad	International Air Transport Association	January, 2009	December, 2010
11.	Shop and Establishment Certificate of Registration for premises located at Anam Plaza, 8-2-618, Road No. 11, Banjara Hills, Hyderabad	Office of the Inspector and DY. Commissioner of Labour - II, Hyderabad, Government of Andhra Pradesh	January 1, 2009	December 31, 2009
12.	Service Tax Registration Certificate (AAACC1921BST002)	Office of the Commissioner of Central Excise and Customs Service Tax Cell: Hyderabad II Commissionerate	N.A.	N.A.
13.	Certificate of registration under the Andhra Pradesh State Tax on Trades, Callings and Professions, Employments Act, 1987	Deputy Commercial Tax Officer	April 17, 1998	N.A.
14.	ESIC registration (53-14787-101)	Regional Office (Andhra Pradesh) Employees State Insurance Corporation	May 8, 2003	N.A.
15.	IATA registration certificate (BR 14-3 0041 4) issued to Cox and Kings (India) Private Limited, Chennai.	International Air Transport Association	January 2009	December 2010
16.	Service Tax Certificate (AAACC1921BSTO18) under (Section 69 of the Finance Act, 1994 (32 of 1994) issued to M/s Cox and Kings (India) Limited, Karunaa Corner, 10, Spur Tank Road, Chennai, Tamil Nadu	Office of the Commissioner of Service Tax, Service Tax Commissionerate	November 21, 2008	N.A.
17.	Certificate of Registration under the Tamil Nadu Industrial Establishments (National and Festival Holidays) Act, 1958	Office of the Inspector	October 21, 2008	N.A.
18.	Tax Deduction Account No (TAN) (Chennai) CHEC02315F as per the Income Tax Act, 1961	Office of the ITO (TDS) Chennai	February 12, 2009	N.A.
19.	ESIC registration (TN / 31- 18585-102/BO/Mt.Road)	Regional Office (Tamil Nadu) Employees State Insurance Corporation	May 8, 2003	N.A.
20.	IATA Registration Certificate (BR-14-3 5091 0) issued to Cox and Kings (India) Private Limited, Pune	International Air Transport Association	January 2009	December 2010
21.	Certificate of Registration (under	Office of the Inspector,	May 23, 2007	December 31, 2009

Sr. No	Type of license, permit approval	Issuing Authority	Date of issue	Valid up to
	Bombay Shops and Establishment Act, 1948) (Registration No. Station/II/3986), Pune	Bombay Shops and Establishment Act, 1948		
22.	Service Tax Certificate issued under Section 69 of Finance Act, 1994 (32 of 1994) issued to M/s Cox and Kings (India) Ltd for premises located at Krishna Chambers Office No. 1, 11 Galaxy Gardens North Main Road, Koregoan Park Pune-1 AAACC1921BST021	Office of the Commissioner of Central Excise, Pune III	July 13, 2007	N.A.
23.	Tax Deduction Account No (TAN) (Pune) PNEC05316D as per the Income Tax Act, 1961	Office of the ITO (TDS) Pune	May 12, 2004	N.A.
24.	Travel Agent and Tour Operator Registration Certificate (under Section 69 of the Finance Act, 1994-32 of 1994) issued to M/s Cox and Kings (I) Private Limited for the premise 39/6822, Darragh Smail Chambers, Ravipuram, Kochi 682-015 Registration No. TA/ST-C/60/1998	Office of the Superintendent of Central Excise Service Tax 'C' Range, Central Excise Bhavan, Kathrikadavu, Cochin- 682017	May 2, 2003	N.A.
25.	Service Tax Registration Certificate (AAACC1921BST001)	Office of the Deputy Commissioner of Central Excise, Tharakandam Centre Banerji Road, Cochin	February 19, 2002	N.A.
26.	ESIC registration (31- 18585-102-EKM)	Regional Office (Kerala) Employees State Insurance Corporation	September 21, 1998	N.A.
27.	Tax Deduction Account No. (CHNC01114B)	Office of the ITO (TDS) KOCHI	April 2, 2002	N.A.
28.	Certificate of Registration (under Kerala Shops and Commercial Establishments Act of 1960)	Assistant Labour Officer, Eranakulam, 1 <sup>st</sup> Circle Kochi- 30	January 12, 2009	December 31, 2009
29.	Service Tax Registration issued to Cox and Kings (I) Limited, Stilt Floor, Tirathraj Apartment, Jacob Road, Civil Lines, Jaipur 302006	Office of the Assistant Commissioner, Service Tax Division	June 9, 2008	N.A.
30.	Shop and Establishment Registration Certificate under Rajasthan Shops and Establishment Act, 1958	Inspector, Shops and Commercial Establishment, Jaipur	December 31, 1997 and renewed on October 30, 2002	N.A.
31.	Certificate of Registration under West Bengal Shops & Commercial Establishment Act, 1963 KOL/PARK/P-II/ 44538	Office of Shops and Establishment, Government of West Bengal	January 22, 2009	
32.	IATA Registration Certificate (BR 14-3 5080 3) issued to Cox and Kings (India) Private Limited, Kolkata India	International Air Transport Association	January 2009	December 2010
33.	Allotment of Service Tax Code No. (AAACC1921BST014)	Office of the Assistant Commissioner of Service Tax, Service Tax Division	June 19, 2007	N.A.

Sr. No	Type of license, permit approval	Issuing Authority	Date of issue	Valid up to
		III, Kolkata		
34.	ESIC registration (31- 18585-102(Cal))	Regional Office (Calcutta) Employees State Insurance Corporation	December 2, 1998	N.A.
35.	Certificate of registration under the West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979	Deputy Commercial Tax Officer	September 22, 2000	N.A.
36.	IATA Registration Certificate (BR 14-3 0338 0) issued to Cox and Kings (India) Private Limited., New Delhi	International Air Transport Association	January 2009	December 2010
37.	Service Tax Registration Certificate (under Section 69 of the Finance Act 1994 (32 of 1994)) for Air Travel Services issued to M/s Cox and Kings (India) Limited Indra Palace, H- Block, Cannught Circus, New Delhi-110-001 Registration No. Air Travel/Delhi/112/ Cox and Kings/97	Office of The Commissioner of Central Excise: Delhi Service Tax Cell	September 13, 2002	N.A.
38.	Service Tax Registration Certificate (under Section 69 of the Finance Act 1994 (32 of 1994)) for rent-a-cab issued to M/s Cox and Kings (India) Ltd. Indra Palace, H- Block, Cannught Circus, New Delhi-110-001. Registration No. DL-I/ Rent-a-cab/54/ST/2000	Office of the Assistant Commissioner Service Tax New Delhi	April 27, 2000	N.A.
39.	Tax Deduction Account Number (TAN) (New Delhi) DELC06675E as per the Income Tax Act, 1961	Office of the ITO (TDS) New Delhi	May 19, 2004	N.A.
40.	Service Tax Registration Certificate (under Section 69 of the Finance Act 1994 (32 of 1994)) for Air Travel Agent issued to M/s Cox and Kings (India) Ltd. 114, D.L.F Qutub Plaza, Phase- I, Gurgaon Registration No. Air travel\Delhi III\Cox\7\98	Office of the Commissioner of Central Excise: Delhi – III Service Tax Cell	February 19, 1998	N.A.
41.	IATA Registration Certificate (HO 14-3 0277 2) issued to Issued to Cox and Kings (India Private Limited, Mumbai	International Air Transport Association	January 2009	December 2010
42.	Registration Certificate of Establishment (Registration No. A-II/002080) under Bombay Shops and Establishment Act, 1948 issued to M/s Cox and Kings (India) Limited for the first, second and third floor of the premises located at Turner Morrison Building 16, Bank Street Fort Mumbai	Office of the Inspector, Bombay Shops and Establishment Act, 1948	August 22, 2006	December 2009
43.	Service Tax Registration Certificate (under Section 69 of the Finance Act 1994 (32 of 1994)) issued to Cox and Kings (India) Limited for rail travel	Office of the Assistant Commissioner of Service Tax, Division II, Mumbai	November 22, 2007	N.A.

Sr. No	Type of license, permit approval	Issuing Authority	Date of issue	Valid up to
	agent, air travel agency, tour operator, travel agents, business auxiliary services, input service distributor and franchise services			
44.	Tax Deduction Account Number (TAN) (Mumbai) MUMC01692F as per the Income Tax Act, 1961	Office of the ITO (TDS), Mumbai	May 8, 2007	N.A.
45.	ESIC registration (31-18585-102)	Regional Office (Maharashtra) Employees State Insurance Corporation	June 1, 1982	N.A.
46.	Service Tax Registration Certificate (GOA/ST/TOU/195/06-07) (GOA/ST/BAS/544/06-07) issued to M/s Cox and Kings (India) Private Limited 502, Kamat Towers, EDC Complex, Patto- Plaza, Panaji, Goa for Tour Operator Service and Business Auxiliary Service.	Commissionerate of Customs and Central Excise, Panaji, Goa	November 28, 2006	N.A.
47.	Tax Deduction Account Number (TAN) (Goa) BLRC07386B as per the Income Tax Act, 1961	Office of the ITO (TDS), Goa	June 14, 2007	N.A.
48.	Allotment of Service Tax Code (AAACC1921BST024)	Commissionerate of Customs and Central Excise, Goa	April 25, 2007	N.A.
49.	IATA Registration Certificate (BR 14-3 5949 4) issued to Cox and Kings (India) Private Limited Ahmedabad	International Air Transport Association	January 2009	December 2010
50.	Service Tax Certificate (AAACC1921BST015)	Office of the Deputy Commissioner of Service Tax, Ahmedabad	June 24, 2008	N.A.
51.	Certificate of registration under the Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976	Professional Tax officer, Ahmedabad	October 5, 2004	N.A.
52.	Tax Deduction Account Number (Ahmedabad) as per the Income Tax Act, 1961	Office of the ITO (TDS) Ahmedabad	February 4, 2002	N.A.

**Licenses and approvals required by international branches, group companies and subsidiaries of Cox and Kings (India) Ltd.**

Sr. No.	Type of license, permit approval	Issuing Authority	Date of issue	Valid up to
1.	Category 1 Global Business license issued to Kubber Investments (Mauritius) Private Limited	Financial Services Commission, Mauritius	July 1, 2009	June 30, 2010
2.	Tourism License issued to Cox & Kings Tours (L.L.C)	United Arab Emirates, Government Of Dubai, Department of Economic Development	March 5, 2007	March 4, 2010

Sr. No.	Type of license, permit approval	Issuing Authority	Date of issue	Valid up to
3.	International business company formation certificate issued under Section 1304 of the Business Corporation Law in New York to Cox and Kings (India) Private Limited	New York State, Department of State, Division of Corporations, State Records and Uniform Commercial Code	November 17, 2006	N.A.
4.	Russia	Federation of Government Establishment, Government Registration Chamber for Ministry of Justice, Russian Federation.	April 28, 2009	N.A.
5.	Certificate of Incorporation on change of name of European Travel Network (ETN) Limited to ETN SERVICES LIMITED	Office of The Registrar of Companies for England And Wales	July 10, 2000	N.A.

### Intellectual Property Related Approvals

#### *Approvals Applied for but not yet Received*

Except as mentioned below, there are no other approvals that have been applied for by us, which are still pending or have not yet been received:

#### Ownership of Copyright / Trade Marks / Brands

Sr. No	Trademark	Application No.	Date of Application	Class	Trademark Owner
1.	THE TRAVEL CLUB	872290	August 19, 1999	16	Cox and Kings (India) Ltd.
2.	ANAND YATRA	1175585	February 17, 2003	25	Cox and Kings (India) Ltd
3.	SHOPPE TILL U DROP	920094	April 24, 2000	18	Cox and Kings (India) Ltd
4.	ANANDYATRI	1081870	February 19, 2002	18	Cox and Kings (India) Ltd
5.	COX & KINGS BHARAT DEKO INDIAN HOLIDAYS	1768977	December 29, 2008	16, 18, 25, 28, 39	Cox and Kings (India) Ltd
6.	BHARAT DEKO	1649445	February 4, 2008	16, 18, 25, 28, 39	Cox and Kings (India) Ltd
7.	FLEXIHOL	1649446	February 4, 2008	16, 18, 25, 28, 39	Cox and Kings (India) Ltd
8.	COX & KINGS FLEXIHOL TAILOR – MADE HOLIDAYS	1768978	December 29, 2008	16, 18, 25, 28, 39	Cox and Kings (India) Ltd
9.	COX & KINGS CELEBRATING 250 YEARS ESTD 1758*	1649447	February 4, 2008	16, 18, 25, 28, 39	Cox and Kings (India) Ltd
10.	STUDIO PLUS	1566417	June 8, 2007	41	Cox and Kings (India) Ltd
11.	COX & KINGS DUNIYA DEKHO ESCORTED GROUP TOURS	1768976	December 29, 2008	16, 18, 25, 28, 39	Cox and Kings (India) Ltd
12.	DUNIYA DEKHO	1649444	February 4, 2008	16, 18, 25, 28, 39	Cox and Kings (India) Ltd



<b>Sr. No</b>	<b>Trademark</b>	<b>Application No.</b>	<b>Date of Application</b>	<b>Class</b>	<b>Trademark Owner</b>
13.	COX & KINGS SERVICES TO THE TRAVELLER SINCE 1758	662224	April 17, 1995	16	Cox and Kings (India) Ltd
14.	LUXURY ESCAPADES	1664398	March 13, 2008	16, 18, 25, 28, 39	Cox and Kings (India) Ltd

\* as per the website of the Trademarks Registry the logo indicates it to be registered, however, we are yet to receive the Certificate of Registration for the same.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

#### *From the Company*

Our Board of Directors at its meeting held on July 6, 2009, authorised the Issue, subject to the approval by the shareholders of our Company under Section 81 (1A) of the Companies Act. Our shareholders have authorised the Issue vide a special resolution adopted pursuant to Section 81 (1A) of the Companies Act, passed at the Extra-ordinary General Meeting held on August 10, 2009.

Our Board pursuant to its resolution dated July 6, 2009 has authorised a committee of its Directors referred to as the IPO Committee to take decisions on behalf of the Board in relation to the Issue.

#### *From the Selling Shareholders*

<sup>(2)</sup> *The Offer for Sale authorization:*

- *The Offer for Sale of 1,086,640 Equity Shares has been authorized by Lehman Brothers Opportunity Limited by a resolution of its Board dated August 13, 2009.*
- *The Offer for Sale of 1,080,000 Equity Shares has been authorized by the Deutsche Securities Mauritius Limited by a resolution of its Board dated August 19, 2009.*
- *The Offer for Sale of 880,000 Equity Shares has been authorized by the Merrill Lynch Capital Markets Espana, S.A.,S.V vide a Power of Attorney dated May 18, 2009.*

The Company has obtained in principal listing approval dated September 10, 2009 & September 11, 2009 from the BSE & NSE respectively.

We have also obtained all necessary contractual approvals required for this Issue. For further details, please refer to chapter titled 'Government/Statutory and Other Business Approvals' beginning on page 350 of this Red Herring Prospectus.

### Prohibition by SEBI

Our Company, our Directors, our Promoters, our Promoter Group, our Subsidiaries, our Group Companies, associates of our Group Companies and other companies promoted by our Promoter and companies with which our Company's Directors are associated as promoters/directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. Further, none of the Selling Shareholders have been prohibited from accessing the capital market under any order or direction passed by SEBI.

Neither we nor our Promoter, relatives of our Promoter, Promoter Group entities and our associate companies have been detained as wilful defaulters by the RBI or government authorities and there has been no violation of any securities laws committed by any of them in the past and there are no such proceedings pending against them. Further, none of the Selling Shareholders have been detained as wilful defaulters by RBI or government authorities in India and there have been no violation of any Indian securities laws committed by any of them in the past and there are no such proceedings pending against them.

### Eligibility for the Issue

We are eligible to make the Issue in accordance with Regulation 26.(1) of the SEBI Regulations

Regulation 26.(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 states as follows

"26.(1) An unlisted company may make an initial public offering (IPO) of equity shares only if it meets all the following conditions:

- (a) The company has net tangible assets of at least Rs. 3 crores in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets:

Provided that if more than 50% of the net tangible assets are held in monetary assets, the company has made firm commitments to deploy such excess monetary assets in its business/project;

- (b) The company has a track record of distributable profits in terms of Section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years;

Provided further that extraordinary items shall not be considered for calculating distributable profits in terms of Section 205 of Companies Act, 1956;

- (c) The company has a net worth of at least Rs. 1 crore in each of the preceding 3 full years (of 12 months each);

- (d) In case the company has changed its name within the last one year, atleast 50% of the revenue for the preceding 1 full year is earned by the company from the activity indicated by the new name; and

- (e) The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e., offer through offer document + firm allotment + promoters' contribution through the offer document), does not exceed five (5) times its pre-issue networth as per the audited balance sheet of the last financial year.”

In terms of the certificate issued by M/s. Chaturvedi & Shah, Chartered Accountants, dated August 12, 2009, our Company satisfies the aforementioned eligibility criteria (as derived from the unconsolidated restated financial statements) as follows:

(in Rs. Million)

Particulars	As on 31.03.09	As on 31.03.08	As on 31.03.07	As on 31.03.06	As on 31.03.05
Net Assets	2,683.06	1,983.85	1,022.45	997.02	466.85
Less Intangible assets	37.56	43.37	45.37	2.87	4.77
Net Tangible assets (1)	2,645.50	1,940.48	977.08	994.15	462.08
Monetary Assets (2)	2,77.64	353.64	204.17	265.99	261.31
Monetary Assets as % of net tangible assets	10.49%	18.22%	20.90%	26.76%	56.55%
Distributable Profits (3)	382.18	315.57	205.39	64.28	84.96
Net-worth (4)	1,856.73	1,481.50	750.38	539.56	143.43

- *Net tangible assets is defined as the sum of all fixed assets (including capital work in progress) investments, current assets less current liabilities and provisions and unsecured loans, excluding 'intangible assets', as defined in accounting standard 26 issued by the Institute of Chartered Accountants of India.*
- *Monetary Assets include cash on hand and bank and liquid investments*
- *The Distributable profits of the Company is as per Section 205 of the Companies Act, 1956 and has been calculated from the audited financial statements of the respective year before making adjustments for restatement of financial statements. Depreciation rates adopted by the Company are higher than those prescribed in Schedule XIV of the Companies Act, 1956 and no adjustment for the excess depreciation charged has been made while calculating the distributable profits.*
- *Net worth has been defined as aggregate of equity share capital and reserves, after deducting miscellaneous expenditures.*
- *The Company has not made any public issue of its equity shares till date.*

Hence, we are eligible for the Issue under Regulation 26.(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Further, in accordance with Regulation 26.(4) of the SEBI Regulations, we shall ensure that the number of prospective allottees i.e. persons to whom the Equity Shares will be allotted in the Issue shall not be less than 1,000 failing which the

entire application monies will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

#### **DISCLAIMER CLAUSE**

**AS REQUIRED, A COPY OF THIS RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI.**

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS RED HERRING PROSPECTUS 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 THIS RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, INDIA INFOLINE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, INDIA INFOLINE LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 20, 2009 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:**

**“WE, THE UNDER NOTED LEAD MERCHANT BANKER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE 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 FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID 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:**
  - a. THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - b. 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**
  - c. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS 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 RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID;
4. WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS 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 THE 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 RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
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 PROSPECTUS.
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 SEBI. 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.
8. WHERE THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION IS NOT APPLICABLE TO THE ISSUEER, WE CERTIFY THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION UNDER CLAUSE 4.10 {SUB-CLAUSE (A), (B) OR (C), AS MAY BE APPLICABLE} ARE NOT APPLICABLE TO THE ISSUER.
9. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUEER 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 ISSUEER 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 HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF 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 ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUEER SPECIFICALLY WILL CONTAIN THIS CONDITION.
11. WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUEER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.

**12. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS 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 RED HERRING PROSPECTUS:**

- a. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND
- b. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.”

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES IN THE NATURE OF LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND 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 BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.”**

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar Of Companies, Mumbai in terms of Sections 56, Section 60 and Section 60B of the Companies Act, 1956. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

#### **General Disclaimer**

**We, our Directors, the Selling Shareholders and the BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in any advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, [www.coxandkings.com](http://www.coxandkings.com) would be doing so at his/her own risk.**

The BRLM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLM, the Selling Shareholders and us dated August 20, 2009 and the Underwriting Agreement to be entered into between the Underwriter, the Selling Shareholders and us.

All information shall be made available by our Company and the BRLM and the other members of the Syndicate to the public and 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 show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither the Company, the Selling Shareholders nor any member of the Syndicate shall be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the BRLM, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

#### **Caution**

**Neither our Company nor the Book Running Lead Manager or any Syndicate Member is liable to the Bidders for any failure in downloading the Bids due to faults in any software / hardware system or otherwise.**

**The BRLM & its associates and affiliates may engage in transactions with, & perform services for, our Company and associates of our Company in the ordinary course of business & have engaged, and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.**

*Investors bidding in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the BRLM and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the Selling Shareholders, the BRLM and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.*

#### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to Persons resident in India (including Indian nationals resident in India), who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Commercial Banks, Regional Rural Banks, Co-Operative Banks (subject to RBI permission), or Trusts under the applicable trust law and who are authorised under their constitution to hold and invest in shares, Public Financial Institutions as specified in Section 4A of the Companies Act, State Industrial Development Corporations, Venture Capital Funds (VCFs) registered with SEBI, Insurance Companies registered with Insurance and Regulatory Development Authority, Provident Funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, and to permitted non residents including FIIs, eligible NRIs, multilateral and bilateral development financial institutions, foreign venture capital investors registered with SEBI and eligible foreign investors provided they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered hereby in any other jurisdiction to any Person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any Person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for observations. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

*The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act). Accordingly, the Equity Shares will be offered and sold only outside the United States to non-US persons in offshore transactions in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.*

*The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.*

Further, each Bidder where required agrees that such Bidder will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Each purchaser, by its acceptance of this Red Herring Prospectus and of the Equity Shares issued pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with the Company, the Selling Shareholders and the Underwriters that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the Equity Shares issued pursuant to this Issue in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares issued pursuant to this Issue have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;
- (3) the purchaser is purchasing the Equity Shares issued pursuant to this Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;
- (4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares issued pursuant to this Issue, was located outside the United States and is not a U.S. person at the time the buy order for such Equity Shares was originated and continues to be located outside the United States and not a U.S. person and has not purchased such Equity Shares for the account or benefit of any person in the United States or a U.S. person or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States or a U.S. person;
- (5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only in accordance with Regulation S under the Securities Act or any transaction exempt from the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;
- (7) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

- (8) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
- (9) the purchaser acknowledges that the Company, the Selling Shareholders, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State) who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Red Herring Prospectus will be deemed to have represented, warranted and agreed to and with each Underwriter, the Company and the Selling Shareholders that:

- (1) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and



- (2) in the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Equity Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Underwriters has been given to the offer or resale; or (ii) where Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an “offer of Equity Shares to the public” in relation to any of the Equity Shares in any Relevant Member States 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 Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

### **Disclaimer Clause of the Stock Exchanges**

#### ***Disclaimer Clause of Bombay Stock Exchange Limited (BSE)***

As required, a copy of this Red Herring Prospectus had been submitted to BSE.

The Bombay Stock Exchange Limited (the “BSE”) has given by its letter. ref.: DCS/IPO/NP/IPO-IP/594/2009-10 dated September 10, 2009, permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this Company’s securities are proposed to be listed. The BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The BSE does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company’s securities will be listed or will continue to be listed on the BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the BSE. 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 BSE 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 for any other reason whatsoever.

#### ***Disclaimer Clause of the National Stock Exchange of India Limited (NSE)***

As required, a copy of this Offer Document has been submitted to the National Stock Exchange of India Limited (hereinafter referred to as NSE). The NSE has given vide its letter ref.: NSE/LIST/118361-Q dated September 11, 2009, permission to the Company to use the NSE’s name in this Offer Document as one of the stock exchanges on which this Company’s securities are proposed to be listed. The NSE has scrutinized this draft offer document for its internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by the NSE should not in any way be deemed or construed that the offer document has been cleared or approved by the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that the Company’s securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE 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.

### ***Disclaimer Clause of CARE***

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospectus of the issuer also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

### **Filing**

A copy of the Draft Red Herring Prospectus dated August 20, 2009 was filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No. C-4A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. A copy of the Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act would be delivered for registration with Registrar of Companies, Mumbai, Maharashtra atleast 3 (three) days before the issue opening date and a copy of the Prospectus along with the documents required to be filed under section 60 of the Companies Act would be delivered for registration to the Registrar of Companies, Mumbai, Maharashtra. A copy of final Prospectus would also be filed with the Corporate Finance Department of SEBI at the aforesaid addresses upon closure of the issue and on finalization of the Issue Price.

### **Listing**

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Applications have been made to the BSE and the NSE for permission to deal in and for an official quotation of our Equity Shares. BSE shall be the Designated Stock Exchange with which the basis of allotment will be finalized for the QIB, Non- Institutional portion and Retail portion.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by BSE and NSE, our Company and the Selling Shareholders shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e., from the date of refusal or within 70 days from the date of Bid/Issue Closing Date, whichever is earlier), then our Company, the Selling Shareholders and every Directors of the Company who is an officer in default shall, on and from expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company with the assistance of the BRLM and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within seven working days of finalisation of the basis of allotment for this Issue.

### **Impersonation**

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

**“Any person who:**

- a. Makes in a fictitious name, a Bid 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: (a) our Directors, our Company Secretary and Compliance Officer, the Auditors, the Legal Advisors, the Bankers to our Company, (b) the Book Running Lead Manager, the Syndicate Member(s), the Credit Rating Agency, the Escrow Collection Bankers and the Registrar to the Issue to act in their respective capacities, and (c) the Selling Shareholders, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the RoC, Mumbai, Maharashtra as required under Sections 60 and 60B of the Companies Act and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC, Mumbai, Maharashtra.

In accordance with the Companies Act, 1956 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, **Chaturvedi & Shah**, Chartered Accountants, our Auditors have given their written consent vide their letter dated August 11, 2009, to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

**Chaturvedi & Shah**, Chartered Accountants, our Auditors have given their written consent vide their letter dated August 11, 2009, to the inclusion of their Tax Benefits accruing to our Company and its shareholders in the form and context in which it appears in this Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

**Credit Analysis and Research Limited**, a SEBI registered credit rating agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Registrar of Companies.

## Expert Opinion

Except the report of **Credit Analysis and Research Limited** in respect of the IPO grading of this Issue and save and except as stated in this Red Herring Prospectus, we have not obtained any expert opinions.

## Undertaking from our Promoter and Directors

Our Company accepts full responsibility for the accuracy of the information given in this Red Herring Prospectus and confirms that to the best of our knowledge and belief, there are no other facts, their omission of which make any statement in this Red Herring Prospectus misleading and we further confirm that we have made all reasonable inquiries to ascertain such facts. Our Company further declares that the Stock Exchanges to which an application for official quotation is proposed to be made do not take any responsibility for the financial soundness of the Issue or for the price at which the Equity Shares are offered or for the correctness of the statement made or opinions expressed in the Red Herring Prospectus. Our Promoters/Directors declare and confirm that no information/material likely to have a bearing on the decision of investors in respect of the Equity Shares offered in terms of this Red Herring Prospectus has been suppressed, withheld and/or incorporated in the manner that would amount to misstatement, misrepresentation and in the event of its transpiring at any point of time till allotment/refund, as the case may be, that any information/material has been suppressed /withheld and/or amounts to a misstatement/ misrepresentation, our Promoters/ Directors undertake to refund the entire application monies to all the subscribers within 7 days thereafter without prejudice to the provisions of Section 63 of the Companies Act.

## Issue Related Expenses

The Issue related expenses includes, among others, lead management fees, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar & depositories expenses, SCSB's commission/ fees, fees & expenses of the SEBI registered rating agency for IPO grading and listing fees. The total expenses of the Issue shall be made out of the proceeds of this Issue and is estimated to be approximately Rs. [●] million. The break- up of the estimated expenses of the Issue is as follows:

*Amount (in Rupees Million)*

Activity	Expense (Rs. in Millions)	As a % of Total Issue Expenses <sup>S</sup>	As a % of Total Issue Size <sup>S</sup>
Issue Management Fees (Lead management, underwriting and selling commission)	[•] <sup>*</sup>	[•]	[•]
Advertisement & Marketing expenses	[•] <sup>S</sup>	[•]	[•]
Printing, Stationery & Distribution Expenses	[•] <sup>S</sup>	[•]	[•]
Regulatory Fees (including Listing Fees and fees payable to SEBI & Stock Exchanges)	[•] <sup>S</sup>	[•]	[•]
SCSB's commission	[•] <sup>S</sup>	[•]	[•]
IPO Grading Expenses	[•] <sup>S</sup>	[•]	[•]
Others (Legal Advisor Fees, Auditors' Fee, Registrar's Fee, etc.)	[•] <sup>S</sup>	[•]	[•]
<b>Total estimated Issue expenses</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

<sup>\*</sup> will be completed at the time of filing of the Red Herring Prospectus; <sup>S</sup> will be completed after finalisation of the Issue price

Pursuant to Regulation 26.(7) of the SEBI Regulations, 2009, our Company needs to obtain grading for this IPO from at least one credit rating agency. In this regard we have appointed Credit Analysis & Research Limited ('CARE'). The total expenses for IPO Grading are estimated to be Rs. [•] million, which is [•] % of the Issue size.

*All expenses related to the Issue, including listing fees and other expenses as mentioned above will be entirely borne by the Company except for the underwriting fees, management fees and the selling commissions which will be borne by the Company and each of the Selling Shareholders proportionate to the Equity Shares offered by them.*

#### **Details of Fees Payable**

##### ***Fees Payable to the Book Running Lead Manager and Syndicate Member(s)***

The total fees payable to the Book Running Lead Manager and Syndicate Member(s) (including underwriting commission and selling commission) will be as per their Engagement Letter dated July 6, 2009 entered into between the BRLM i.e. India Infoline Limited and our Company and as stated in the Memorandum of Understandings signed between the BRLM and our Company, a copy of which is available for inspection at the Registered Office of our Company.

##### ***Fees Payable to the Registrar to the Issue***

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order (or revised CAN, if required) preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed among the Registrar, our Company and the Selling Shareholders dated August 19, 2009, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, and stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

##### ***Fees Payable to Others***

The total fees payable to the Legal Advisor, Auditor, Credit Rating Agency & Advertiser etc. will be as per the terms of their respective engagement letters.

#### **Particulars regarding Public or Rights during the Last Five Years**

Our Company has not made any previous public issues (including any rights issues to the public) in India or abroad in the five years preceding the date of this Red Herring Prospectus.

### **Underwriting commission, brokerage and selling commission on Previous Issues**

Since this is an Initial Public Offer of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

### **Previous issues of shares otherwise than for cash**

Save and except as stated in the chapter titled '*Capital Structure*' beginning on page 22 of this Red Herring Prospectus, the Company has not made any previous issues of shares for consideration otherwise than for cash.

### **Companies under the Same Management**

Our Company do not have any other Company under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956 which had made any capital issue during the last three years.

### **Promise v/s Performance**

#### ***Our Company***

There has been no public issue (including any right issue to the public) by our Company nor any of the Promoters or members of the Promoter Group entities or the Subsidiaries.

#### ***Listed Ventures of Promoter Group***

For details in relation to Promise v/s. Performance of the Group Companies, please refer chapter titled '*Our Promoters and Promoter Group Companies*' beginning on page 150 of this Red Herring Prospectus.

### **Outstanding Debentures, Bonds or Preference Shares**

Save and except as disclosed in this Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable Preference Shares as of the date of this Red Herring Prospectus.

### **Option to Subscribe**

Equity Shares being offered through this Red Herring Prospectus can be applied for in Dematerialized Form only.

### **Stock Market Data for Our Equity Shares**

This being an Initial Public Offer of our Company, the Equity Shares of our Company are not listed on any stock exchange.

### **Other Disclosures**

Except as disclosed in the Notes to Capital Structure in the chapter titled '*Capital Structure*' beginning on page 22 of this Red Herring Prospectus, our Promoters, our Promoter group, or our Directors have not purchased or sold any securities of the Company during a period of six months preceding the date on which this Red Herring Prospectus is filed with SEBI.

### **Mechanism for Redressal of Investor Grievances**

The Memorandum of Understanding between the Registrar to the Issue, our Company and the Selling Shareholders will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of despatch of the letters of allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address

of the applicant, number of Equity Shares applied for, amount paid on application, Depository Participant and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

### ***Disposal of Investor Grievances***

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances. Our Company estimate that the average time required by us or the Registrar for the redressal of routine investor grievances shall be ten days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed Ms. Rashmi Jain, Company Secretary of our Company as the Compliance Officer for this Issue and she may be contacted in case of any Issue related problems at the following address:

Ms. Rashmi Jain  
Cox and Kings (India) Limited  
Turner Morrison Building,  
1<sup>st</sup> Floor, 16 Bank Street,  
Fort, Mumbai – 400001  
Maharashtra, India.  
Tel No: +91-22-2270 9100  
Fax No: +91-22-2270 4600  
Email: [ipo@coxandkings.com](mailto:ipo@coxandkings.com)

### ***Disposal of Investor Grievances by listed companies under the same management as the Company***

For details in relation to Disposal of Investor Grievances by listed companies under the same management, please refer to chapter titled 'Our Promoters and Promoter Group Companies' on page 150 of this Red Herring Prospectus.

### ***Change in Statutory Auditors***

Save and except as stated below, there have been no changes in the in the auditors of our Company since last 3 years:

<b>Name of the Auditor</b>	<b>Date of Appointment</b>	<b>Date of Resignation</b>	<b>Reasons for change</b>
RSM & Co.	Year 1984	May 17, 2007	Resignation
Chaturvedi & Co.	June 25, 2007	N.A	Appointment

### ***Capitalization of Reserves or Profits***

Save and except as stated in chapter titled 'Capital Structure', beginning on page 22 of this Red Herring Prospectus our Company has not capitalised its reserves or profits at any time during the last five financial years.

### ***Revaluation of Assets***

Our Company has not revalued its assets in the last five years.

### ***Tax Implications***

Investors that are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the chapter titled 'Statement of Tax Benefits' beginning on page 48 of this Red Herring Prospectus.

## **Interest of Promoters and Directors**

### ***Promoters***

The Promoters are interested parties in any dividend that may be declared and any distributions that may be made by the Company and to the extent of their shareholding in the Company.

The Company's Promoters will also be interested in any future contracts that the Company may enter into with any of the members of the Promoter Group or any company in which our Promoters are directors.

For details, please refer the chapter titled '*Our Promoters and Promoter Group Companies*' beginning on page 150 of this Red Herring Prospectus.

### ***Directors***

The Directors of the Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or any committee thereof. The Directors may also be regarded as interested in the Equity Shares or ESOPs, if any, held by or that may be subscribed by and allotted to the companies, firms and trusts, in which they are interested as directors, members, partners and/or trustees.

For details, please refer the chapters titled '*Related Party Transactions*' and '*Our Management*' beginning on pages 185 and 132 of this Red Herring Prospectus.

### **Payment or Benefit to Officers of the Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Save and except as disclosed in section titled '*Related Party Transaction*' in this Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

## SECTION VII – ISSUE INFORMATION

### TERMS OF THE ISSUE

#### **Principal Terms & Conditions of the Issue**

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company, if any, the terms of the Red Herring Prospectus, Bid-cum-Application Form, ASBA, the Revision Form, the Confirmation of Allocation Note (“CAN”) and other terms and conditions as may be incorporated in the allotment advice, and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the Reserve Bank of India, the FIPB, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

#### ***Ranking of Equity Shares***

The Equity Shares to be issued shall, subject to the Memorandum and Articles of Association of our Company, rank *pari passu* in all respects with the other existing Equity Shares of our Company in all respects including rights in respect of dividend. The Allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of allotment. Please refer to the section titled ‘*Main Provisions of the Articles of Association*’ beginning on page 427 of this Red Herring Prospectus for a description of the Articles of Association.

#### ***Mode of Payment of Dividend***

The declaration and payment of dividend will be as per the provisions of the Companies Act and recommended by the Board of Directors and the shareholders at their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

#### ***Face Value and Issue Price***

The Equity Shares with a face value of Rs. 10/- each are being issued in terms of this Red Herring Prospectus at a price band of Rs. 316 to Rs. 330 per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

The face value of the shares is Rs. 10/- each and the Floor Price is 31.6 times of the face value and the Cap Price is 33.0 times of the face value.

#### ***Compliance with SEBI Regulations***

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### ***Prohibition by SEBI***

Our Company, our Directors, our Promoters, directors or the person(s) in control of our Promoters, Promoter group companies, companies in which we have substantial shareholding and companies in which our Directors are associated with as directors, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Further, our subsidiaries, directors, Promoters and Promoter group entities have confirmed that they have not been detained as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

#### ***Rights of the Equity Shareholder***

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 subject to any statutory and other preferential claims being satisfied;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 1956, the terms of the listing agreement executed with the Stock Exchanges, and our Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles relating to, among other things, voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation/splitting, please refer the section titled '*Main Provisions of the Articles of Association*' beginning on page 427 of this Red Herring Prospectus.

### **Promoter Group**

The member of the promoter Group will not be eligible to participate in this Issue.

### ***Market Lot and Trading Lot***

In terms of Section 68B of the Companies Act, 1956, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI Regulations, trading in Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment through this Issue will be done only in electronic form in multiples of one (1) Equity Share subject to a minimum allotment of [•] Equity Shares. For details of allocation and allotment, please refer to chapter titled '*Issue Procedure*' beginning on page 380 of this Red Herring Prospectus.

### ***Nomination Facility to the Investor***

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder(s), may nominate any one Person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, 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 have the same rights 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 Registered Office of our Company or at the Registrar and Transfer Agents of our Company.

In the nature of the rights stated in Section 109B of the Companies Act, 1956, any person who becomes a nominee in the manner stated above, shall upon the production of such evidence as may be required by the Board of Directors, 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, our Board of Directors 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 90 days, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

***Notwithstanding anything stated above, since the allotment in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require to change the nomination, they are requested to inform their respective depository participant.***

### ***Minimum Subscription***

If our Company does not receive the minimum subscription of 90% of the Fresh Issue to the public to the extent of the amount payable on application, including devolvement on Underwriters, if any, within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company become liable to refund the subscription amount (i.e., 60 days from the Bid Closing Date), our Company shall pay interest prescribed under Section 73 of the Companies Act.

Further in terms of Regulation 26.(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will be not less than 1,000. If the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company become liable to refund the subscription amount (i.e., 60 days from the Bid Closing Date), our Company shall pay interest prescribed under Section 73 of the Companies Act.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### ***Arrangement for disposal of Odd Lots***

Since the market lot of our Equity Shares will be one, no arrangements for disposal of odd lots are required.

### ***Restriction on Transfer and Transmission of Shares***

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles of Association. For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer to section titled ‘*Main Provisions of the Articles of Association*’ beginning on page 427 of this Red Herring Prospectus.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in Mumbai, Maharashtra India.

### **Application in Issue**

Equity Shares being issued through this Red Herring Prospectus can be applied for in the dematerialized form only.

### **Withdrawal of the Issue**

Our Company in consultation with the BRLM and the Selling Shareholders reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment, without assigning any reason thereof. If our Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue. The notice shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

In the event of withdrawal of the Issue anytime after the Bid/Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, the and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

In terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing date.

**Application by Non Residents/NRIs/FIIs / FVCIs**

There is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Fund applicants will be treated on the same basis with other categories for the purpose of allocation.

## ISSUE STRUCTURE

Public Issue of 18,496,640 Equity Shares of Rs. 10/- each of Cox and Kings (India) Limited for cash at a price of Rs. [●] per Equity Share (including a Share Premium of Rs. [●] per Equity Share), consisting of a Fresh Issue of 15,450,000 Equity Shares by the Company and an Offer for Sale of 3,046,640 Equity Shares by Selling Shareholders, aggregating Rs. [●] million (the “Issue”). The Issue comprises of a Net Issue to the public of 18,296,640 Equity Shares of Rs. 10/- each (the “Net Issue”) and a reservation of up to 200,000 Equity Shares of Rs. 10/- each for the Eligible Employees (as defined herein) on a competitive basis (the “Employee Reservation Portion”).

Our Company undertakes that the Issue to the public shall not be less than 25% of the total Post Issue paid up capital of our Company. The Issue is being made through a 100% Book Building Process.

Particulars	QIBs <sup>ss</sup>	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Number of Equity Shares*	Up to 9,148,320 Equity Shares	Not less than 2,744,496 Equity Shares or Issue less allocation to QIBs and Retail Individual Bidders	Not less than 6,403,824 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders	Up to 200,000 Equity Shares***
Percentage of Issue size available for allotment/ allocation	Up to 50% of the Net Issue shall be allotted to QIB Bidders.  However, 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Net Issue or the Net Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation	Not less than 35% of the Net Issue or the Net Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.	1.08 % of the Issue
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) 457,416 Equity Shares shall be allocated on a proportionate basis to Mutual Funds in the Mutual Fund Portion; (b) 8,690,904 Equity Shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate	Proportionate

<b>Particulars</b>	<b>QIBs<sup>ss</sup></b>	<b>Non-Institutional Bidders</b>	<b>Retail Individual Bidders</b>	<b>Employee Reservation Portion</b>
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds Rs. 100,000/- and in multiples of 20 Equity Share	Such number of Equity Shares in multiples 20 Equity Shares that the Bid Amount exceeds Rs. 100,000/-	20 Equity Shares	20 Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Bid Lot	20 Equity Shares and multiples of 20 Equity Share thereafter	20 Equity Shares and multiples of 20 Equity Share thereafter	20 Equity Shares and multiples of 20 Equity Share thereafter	20 Equity Shares and multiples of 20 Equity Share thereafter
Allotment Lot	20 Equity Shares and in multiples of 20 Equity Share thereafter	20 Equity Shares and in multiples of 20 Equity Share thereafter	20 Equity Shares and in multiples of 20 Equity Share thereafter	20 Equity Shares and in multiples of 20 Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Shares
Who can Apply <sup>**</sup>	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI (other than a sub-account which is foreign corporate or foreign individual), scheduled commercial banks, mutual funds registered with SEBI, multilateral & bilateral development financial institutions; VCFs registered with SEBI, FVCIs registered with SEBI, State Industrial Development Corporations, National Investment Fund set up by resolution no F. No. 2/3/2005- DDII dated November 23,2005 Government of India published in the Gazette of India, Insurance Companies registered with Insurance	Eligible NRIs, Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Individuals, including NRIs and HUF (in the name of Karta), such that the Bid Amount per individual Bidder does not exceed Rs. 100,000 in value.	Eligible Employees of our Company as defined in the chapter titled 'Definitions and Abbreviations' beginning on page i of this Red Herring Prospectus.

Particulars	QIBs <sup>SS</sup>	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	Regulatory and Development Authority, Provident Funds (subject to applicable law) with minimum corpus of Rs. 250 million and Pension Funds with minimum corpus of Rs. 250 million in accordance with applicable law.			
Terms of Payment	Margin Amount applicable to QIB Bidders shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate	Margin Amount applicable to Non - Institutional Bidders shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate	Margin Amount applicable to Retail Individual Bidders shall be payable at the time of submission of : (i) Bid cum Application Form to the members of the Syndicate; or (ii) submission of ASBA form to SCSB <sup>S</sup>	Margin Amount applicable to eligible employees at the time of submission of Bid Cum Application Form to the members of the Syndicate
Margin Amount #	At least 10% of the Bid Amount on bidding.	Full Bid Amount on bidding.	Full Bid Amount on bidding.	Full Bid Amount on bidding.

<sup>SS</sup> The QIB Portion includes the Anchor Investor Portion and the Company may consider participation by Anchor Investors in the Net Issue for up to 2,744,496 Equity Shares, as per the SEBI Regulations. Anchor Investor Margin Amount shall be payable at the time of submission of the application form by the Anchor Investor.

*\*Subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in QIB, Retail and Non-Institutional Category would be met with spill-over from other categories or a combination of categories. Under subscription, if any in the Employees Reservation Portion will be added back to the Net Issue to the Public. In case of under subscription in the Net Issue, spill-over to the extent of under subscription shall be permitted from the Employees Reservation Portion. Such inter-se spill over, if any, will be at the discretion of the Company in consultation with the BRLM and the Selling Shareholders. Investors may note that in case of over-subscription in the Issue, allotment to QIB Bidders, Non-Institutional Bidders, Retail Bidders and Eligible Employees bidding under Employees Reservation Portion shall be on a proportionate basis.*

In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, in any other category, would be allowed to be met with spill-over from any other category or combination of categories by our Company in consultation with the BRLM and the Selling Shareholders, and the Designated Stock Exchange in accordance with applicable laws, rules, regulations and guidelines.

<sup>\*\*</sup> In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

<sup>\*\*\*</sup> Any under subscription in the Employee Reservation Portion would be included in the Net Issue and allocated in accordance with the description in paragraph 'Issue Procedure – Basis of Allotment' on page 405 of this Red Herring Prospectus. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of the Company

# After the Bid / Issue Closing Date, depending upon the level of subscription, additional margin amount, if any, may be called from the QIB Bidders.

§ Resident Retail Individual Investor is also eligible to apply through ASBA process, for details please refer to chapter titled 'Issue Procedure for ASBA Bidders' on page 415 of this Red Herring Prospectus.

In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.

#### **Bid/Issue Programme**

<b>BID/ISSUE OPENS ON:</b>	<b>November 18, 2009</b>
<b>BID/ISSUE CLOSES ON:</b>	<b>November 20, 2009</b>

Our Company may consider participation by Anchor Investors in terms of the SEBI Regulations. The Anchor Investor Bid/Issue Period shall be one day prior to the Bid/ Issue Opening Date.

Bids and any revision in Bids shall be accepted **only between 10.00 a.m and 3.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form.

**On the Bid/Issue Closing Date (excluding ASBA Bidders), Bids shall be accepted only between 10.00 a.m and 1.00 p.m (Indian Standard Time)** and uploaded till

- (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and
- (ii) Until 5.00 p.m or such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000.

**It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.**

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application Form submitted through the ASBA process, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m (Indian Standard Time) on the Bid/Issue Closing Date. All times are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

Investors please note that as per letter no. List/smd/sm/2006 dated July 03, 2006 and letter no. NSE/IPO/25101-6 dated July 06, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and Holidays as declared by the exchanges.

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Regulations. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 20 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

**In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the NSE and the BSE, by issuing a press release, and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate. The Price Band will be decided by our Company in consultation with the BRLM.**

#### **Withdrawal of the Issue**

The Company in consultation with the BRLM and the Selling Shareholders reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Board Meeting for Allotment, without assigning any reason thereof. If our Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue. The notice shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.



## ISSUE PROCEDURE

### Book Building Procedure

The Issue is being made through a 100% Book Building Process wherein up to 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers, out of which 5% of QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid bids being received at or above Issue Price. The QIB Portion shall include Anchor Investor Portion in accordance with applicable SEBI Regulations. Further not less than 15% of the Net Issue shall be available for allocation on proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders subject to valid bids being received from them at or above the Issue Price. Further, up to 200,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid bids being received from them at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. ASBA investors intending to subscribe to the issue shall submit a complete ASBA form to the designated branch of the SCSB. Further, QIB bids can be procured and submitted only through the BRLM or their affiliates or Syndicate Member(s). In case of QIB Bidders, the Company in consultation with the BRLM and the Selling Shareholders reserves the right to reject any Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the bidder at the time of rejection of bid. In case of Non Institutional Bidders and Retail Bidders, our Company and the Selling Shareholders would have a right to reject the Bids only on technical grounds.

***Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialized form. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.***

### Bid-cum-Application Form

#### a) ***QIB, Non Institutional & Retail Individual Bidders***

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN and filing of the Prospectus with the Registrar of Companies of Mumbai, Maharashtra, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorized our Company and the Selling Shareholders to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

#### b) ***Residential Retail Individual Bidders using the ASBA process***

Residential Retail Individual Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a SCSB for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders shall submit a Bid cum Application Form either in physical or electronic form to the SCSB authorizing blocking funds that are available in the bank account specified in the Bid cum Application Form used by ASBA Bidders. The ASBA Bidders can only provide one Bid in the Bid cum Application Form at Cut-off Price. Upon the Allocation of Equity Shares, intimation to the SCSBs of the respective Bidders under ASBA process and filing of the Prospectus with the Registrar of Companies of Mumbai, Maharashtra, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a SCSB, the Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and the ASBA Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

<b>Category</b>	<b>Color of Bid cum Application Form</b>
Indian Public or NRIs applying on a non-repatriation basis	White
Non-residents, NRIs, FIIs, Foreign Venture Capital Fund registered with SEBI, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Eligible Employee	Pink
Resident Retail Individual bidding / applying under ASBA	White

In accordance with the SEBI Regulations, only Resident Retail Individual Investor can participate by way of ASBA process.

In accordance with SEBI Regulations, only QIBs can participate in the Anchor Investor Portion.

### **Who Can Bid?**

#### **a) *QIB, Non Institutional and Retail Individual Bidders***

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines
2. Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians, in single or joint names (not more than three);
3. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
4. Eligible Non-residents including NRIs and FIIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable local laws;
5. Companies and corporate bodies not having majority ownership and control of persons resident outside India and societies registered under the applicable laws in India and authorized to invest in the Equity Shares;
6. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorized under their constitution to hold and invest in Equity Shares;
7. Scientific and/or industrial research organizations in India authorized under their constitution to invest in Equity Shares.
8. Indian mutual funds registered with SEBI;
9. Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and SEBI regulations, as applicable);
10. Venture capital funds registered with SEBI;
11. Foreign Venture Capital Investors registered with SEBI;
12. FIIs registered with SEBI subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue; For further details please see "Restrictions on Foreign Ownership of Indian Securities";
13. State Industrial Development Corporations;
14. National Investment Fund
15. Multilateral and bilateral development financial institutions;
16. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
17. Provident funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to invest in Equity Shares;
18. Pension funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to invest in Equity Shares;
19. Any other QIBs permitted to invest, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
20. Eligible Employees

**b) Resident Retail Individual Bidders using the ASBA process**

1. Resident Retail Individual Investors
  - (a) Whose bids do not exceed Rs.1, 00,000/- in value
  - (b) Who are bidding at cut-off with single option as to number of shares bid for,
  - (c) Who is applying through blocking of funds in a bank account with the SCSB
  - (d) Who has agreed not to revise his / her bid
  - (e) Is not bidding under any of the reserved categories
2. Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians, in single or joint names (not more than three);
3. Hindu Undivided Families or HUFs in the individual name of the Karta. The Bidder should specify that the bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;

**Notes: Notwithstanding the aforesaid, in the Employee Reservation Portion, Bids can only be submitted by the Eligible Employees. However, employees who have submitted bids under the Employee Reservation cannot submit bids under the ASBA process.**

**Under the SEBI (Venture Capital Funds) Regulations, 1996, a venture capital fund may raise monies from any investor, whether (i) Indian, (ii) foreign or (iii) non-resident Indian, by way of issue of units. In this Issue, venture capital funds, which have raised monies from foreign and non-resident Indian investors (i.e., categories (ii) and (iii) above) are not eligible to participate.**

**As per the existing policy of the Government of India, OCBs are not allowed to participate in this Issue.**

**Participation by associates of the BRLM & Syndicate Member(s)**

The BRLM and Syndicate Member(s) shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations, if any. However, associates and affiliates of the BRLM, and Syndicate Member(s) may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

**The information above & otherwise contained in this section as regards investment laws, investments limits, etc. as applicable to various categories of investors is given for the benefit of Bidders. Our Company, the Selling Shareholders and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws, rules, regulations, guidelines or notifications.**

**How to Apply – Availability of Forms, Red Herring Prospectus and Mode of Payment**

***Bids by Mutual Funds***

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds portion.

The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

***As per the current regulations, the following restrictions are applicable for investments by mutual funds:***

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

### **Bids by Eligible NRIs**

Bid-cum-Application Forms will be made available for Eligible NRIs at our Registered Office, with members of the Syndicate and with the Registrar to the Issue.

Bids by NRIs for a Bid Amount of up to or less than Rs. 100,000 would be considered under the Retail Individual Bidders Portion for the purposes of Allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non Institutional Bidder Portion for the purposes of Allocation; by FIIs or Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity Shares and in multiples of 20 Equity Shares thereafter so that the Bid Amount exceeds Rs. 100,000; for further details please refer to paragraph 'Maximum and Minimum Bid Size' on page 387 of this Red Herring Prospectus

Eligible NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange or by debit to their NRE/FCNR accounts shall be considered for allotment under the Eligible NRI category on repatriable basis. Eligible NRIs intending to participate in the bidding process shall ensure that their foreign address is registered with their depository participant or furnished on the Bid-cum-Application form. Post Allotment, if any, on repatriable basis, our Company is required to file FC-GPR with the Reserve Bank of India through an authorised dealer along with a KYC (Know Your Client) report issued by their banker. Eligible NRIs who may be Allotted Equity Shares of our Company in the Issue are required to facilitate the issue of the above said report to be furnished to RBI. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for Resident Indians (White in colour) and shall not use the forms meant for reserved category. All instruments accompanying bids shall be payable in Mumbai only.

***In accordance with the SEBI Regulations, Non-Residents cannot subscribe to this Issue under the ASBA process.***

### **Bids by FIIs**

***As per current regulations, the following restrictions are applicable for investment by FIIs:***

The Issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of our Company (i.e. 10% of 62,922,942 Equity Shares of Rs.10/- each). In respect of an FII investing in Equity Shares of our Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of our Company or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, in accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total paid-up capital. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as of this date, no such resolution has been recommended to the shareholders of the company for adoption.

Sub-accounts of FII's who are foreign corporate or foreign individuals are not QIBs, and hence cannot Bid in the QIB portion in the Issue.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favor of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of “Know Your Client” requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Associates and affiliates of the Underwriter, including the BRLM and Syndicate Member(s) that are FIIs or its sub-account may issue offshore derivative instruments against Equity Shares allocated to them in the Issue

***Bids by SEBI registered Venture Capital Funds & Foreign Venture Capital Investors***

The SEBI (Venture Capital Funds) Regulations, 1999, as amended and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended prescribe investment restrictions on VCFs and FVCIs. Accordingly, the holding by any individual venture capital fund should not exceed 25% of our Company’s paid-up capital. The aggregate holdings of venture capital funds and foreign venture capital investors registered with SEBI could, however, go up to 100% of our Company’s paid-up equity capital.

Pursuant to the SEBI Regulations, the shareholding of VCFs & FVCIs held in a company prior to making an initial public offering is exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the Draft Red Herring Prospectus with SEBI.

***Bids by Eligible Employees***

The Bid must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter. Bidders under the Employee Reservation Portion can apply for a maximum of the size of the Issue. The allotment in the Employee Reservation Portion will be on a proportionate basis. However, in case of an oversubscription in the Employee Reservation Portion, allotment will be on a proportionate basis subject to a minimum allotment of 20 Equity Shares. Bidders under the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut off Price.

For the purpose of the Employee Reservation Portion, Eligible Employee means all or any of the following:

- a) A permanent employee of the Company as of the date of filing the RHP with the RoC and based, and present in India as on the date of submission of the Bid cum Application Form.
- b) A Director of the Company, being a whole time Director, part time Director, or otherwise except our Promoter or members of the Promoter Group, as of the date of filing the RHP with the RoC and based, working and present in India as on the date of submission of the Bid cum Application Form.

An Eligible Employee, as used in the context of the Employee Reservation Portion, means an Indian National who is a person resident in India (as defined under FEMA) and excludes any Promoter or member of the Promoter Group. The Eligible Employee should be on the payroll of the Company on the date of filing the Red Herring Prospectus with RoC.

***Employees who are Promoters or forming part of Promoter Group are not eligible to bid through the Employees Reservation Portion.***

Bids under the Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid-Cum-Application Form or Revision Form (i.e. Pink colour form)
- Only Eligible Employees would be eligible to apply in this Issue under the “Employee Reservation Portion”, (excluding employees who are promoters).
- The Sole / First Bidder should be Eligible Employee as defined above. In case the Bid-cum-application form is submitted in joint names, it should be ensure that the Depositories Account also held in the joint names and in the same sequence in which they appear in the Bid-cum-Application form
- Eligible Employees, as defined above, should mention their Employee Number at the relevant place in the Bid-cum-Application Form.

- Bids by Eligible Employees will have to bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- The Bids must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter. The allotment in the Employee Reservation portion will be on a proportional basis.
- Eligible Employees who Bid for Equity Shares of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-Off Price. This facility is not available to other Eligible Employees whose Bid Amount in any of the bidding options exceeds Rs. 100,000.
- The maximum bid under Employee Reservation Portion by an Employee cannot exceed the size of the Issue.
- Bid/ Application by Eligible Employees can also be made in the Net Issue portion and such Bids shall not be treated as multiple bids.
- If the aggregate demand in this category is less than or equal to 200,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand. If the aggregate demand in this category is greater than 200,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, please refer to paragraph '*Basis of Allotment or Allocation*' on page 405 of this Red Herring Prospectus.
- Under-subscription, if any, in the Employee Reservation Portion shall be added back to the Net Issue. In case of under-subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion. Such inter-se spill over, if any, would be affected in accordance with applicable laws, regulations and guidelines.

***The facility of bidding under the ASBA process is available only to the Residential Retail individual Investors, and is not applicable to Bidders bidding under any reserved category. Hence, Bidders in the Employee Reservation Portion can not avail of the ASBA process to submit their bids***

#### ***Bids by ASBA Investors***

Application for bids to the Issue can also be made through an alternate process of bidding introduced by SEBI known as Application Supported by Blocked Amount (ASBA). An ASBA investor shall submit an ASBA physically or electronically through the internet banking facility, to the SCSB with whom the bank accounts to be blocked, is maintained. The SCSB will then block the application money in the bank account specified in the ASBA, on the basis of an authorisation to this effect given by the account holder in the ASBA. The application money will remain blocked in the bank account till finalisation of the basis of Allotment in the Issue or till withdrawal/ failure of the Issue or till withdrawal/ rejection of the application, as the case may be. The application data will thereafter be uploaded by the SCSB in the electronic bidding system through a web enabled interface provided by the Stock Exchanges. The Registrar to the Issue shall finalise the basis of Allotment and submit it to the Designated Stock Exchange for approval. The Registrar to the Issue shall reject multiple ASBAs determined as such, based on common PAN. Once the basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the CB of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Issuer's account within the timelines specified in the ASBA process:

- (i) Number of shares to be allotted against each valid ASBA;
- (ii) Amount to be transferred from the relevant bank account to the Issuer's account, for each valid ASBA;
- (iii) The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Issuer's account;
- (iv) Details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/ unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective bank accounts.

SCSBs shall unblock the relevant bank accounts for:

- a. Transfer of requisite money to the issuer's account against each valid ASBA.
- b. Withdrawn/ rejected/ unsuccessful ASBAs.

The CB of each SCSB shall confirm the transfer of requisite money against each successful ASBA to the Registrar to the Issue. The Registrar to the Issue shall credit the shares to the demat account of the successful ASBA investors.

In case an ASBA investor wants to withdraw his/ her ASBA during the bidding period, he/ she shall submit his/ her withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA investor wants to withdraw his/ her ASBA after the Bid/Issue closing date, he/ she shall submit his/ her withdrawal request to the Registrar to the Issue, The Registrar shall delete the withdrawn bid from the bid file.

The ASBA investors are advised to fill the Depository Participant Identification Number, Client Identification Number, BID Quantity and PAN clearly in the ASBA Form which shall be uploaded by the SCSB in the electronic bidding system provided by the Stock Exchange(s) which is matched by the Registrar to the Issue with the depository database for the correctness of the Depository Participant Identification Number, Client Identification Number and PAN. In the event of any error in the abovementioned details the ASBA shall be rejected.

Further, In case of withdrawal/ failure of the issue, the amount will be unblocked by the SCSB on receipt of information from the BRLM.

**Notes:**

1. *On the Bid/Issue Closing Date, the SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges. Bidders are cautioned that a high inflow of Bids, typically experienced on the last day of bidding, may lead to some Bids received on the last day not being uploaded, due to lack of sufficient uploading time and such Bids that could not be uploaded may not be considered for Allocation;*
2. *The Stock Exchanges will enable SCSBs to upload data on the electronic bidding system in a secure way, and will provide facilities for identification of data uploaded by each SCSB, DB-wise.*
3. *The Stock Exchange(s) shall ensure that the electronic bidding system provides all the appropriate fields, along with identification of SCSBs, to enable SCSBs to upload the bid data properly. The electronic bidding system shall also be enabled to display bid opening/ closing date, price band and revision in price band/ bid period and to reset relevant data fields upon revision, if any.*
4. *Only Bids that are uploaded on the online IPO system of the BSE and the NSE shall be considered for Allocation/ Allotment. In case of discrepancy of data between the Bids registered on the online IPO system of the BSE and the NSE and physical Bid-cum-Application Form, the decision of our Company, in consultation the BRLM and the Designated Stock Exchange, based on the physical/electronic records of Bid-cum-Application Forms (ASBA Forms) shall be final and binding on all concerned.*

**Checklist for ASBA Investors**

Particulars	Physical ASBA	Electronic ASBA
Ensure that the Bid amount does not exceed Rs.100,000/-	√	√
Ensure that the bid is at cut-off	√	√
Ensure that the application is through the blocking of amount in a bank account with a SCSB	√	√
Ensure that he/ she does not intend to revise the bid	√	√
Ensure that he / she does is not bidding under any of the reserved categories (in the case eligible Employees)	√	√
Submit completed ASBA Form physically to SCSB with whom amount to be blocked	√	X
Submit completed ASBA Form electronically through internet banking facility provided by SCSB	X	√
Obtain acknowledgement specifying the system generated application number from SCSB as proof of acceptance of ASBA Form ( Physical or Electronic)	√	√
Obtain a Transaction Registration Slip / Order Number, confirming upload of ASBA details in the electronic bidding system of the Stock Exchange(s).	√	√
The Transaction Registration Slip/ order number shall be given to the ASBA investor as a proof of uploading the details of ASBA, only on demand.		

*The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. The Company, the Selling Shareholders and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company, the Selling Shareholders and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.*

#### **Maximum and Minimum Bid Size**

- a. **For Retail Individual Bidders:** The Bid must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. Where the Bid Amount is over Rs. 100,000 due to a revision in the Bid or a revision in the Price Band or upon exercise of the option to bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is given only to Retail Individual Bidders indicating their agreement to the Bid and to purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process
- b. **For Non-Institutional Bidders and QIBs Bidders:** The Bid must be for a minimum of such Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 20 Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them. In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 to be considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in the Bids or a revision in the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Non-Institutional Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not allowed to Bid at the Cut-off Price.

*Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.*

- c. **For Eligible Employees:** The Bid must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. The allotment in the Employee Reservation Portion will be on a proportionate basis
- d. **For Resident Retail Individual Bidders bidding through ASBA process:** The Bid must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. ASBA investors can bid only at cut-off and have only one option as to the number of shares bid for. They cannot revise their bids and cannot bid under any of the reserved categories (in this case the Employee Reservation Portion).

*Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.*

#### **Information for the Bidders**

- (a) Our Company and the Selling Shareholders will file the Red Herring Prospectus with the RoC, at least 3 (three) days before the Bid/Issue Opening Date.
- (b) Our Company and the BRLM shall declare the Bid/ Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated national newspapers (one each in English and Hindi) and one widely circulated Marathi newspaper. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XIII of the SEBI Regulations.
- (c) The members of the Syndicate will circulate copies of the Bid-cum-Application Form to potential investors and at the request of potential investors, can circulate the Red Herring Prospectus



- (d) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid-cum-Application Form can obtain the same from our Registered Office or from any of the BRLM/Syndicate Member and should approach any of the BRLM or Syndicate Member or their authorized agent(s) to register their bids.
- (e) Investors who are interested in subscribing for our Company's Equity Shares should approach any of the BRLM or Syndicate Member or their authorized agent(s) to register their Bid.
- (f) The Members of the Syndicate shall accept Bids from the Bidder during the Issue Period in accordance with the terms of the Syndicate Agreement.
- (g) The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the members of the Syndicate. Bid-cum-Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.
- (h) The Bidding/Issue Period shall be for a minimum of three working days and not exceeding seven working days. In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to SCSBs, BSE and NSE, by issuing a public notice in three widely circulated newspapers (one each in English and Hindi) and one newspaper in the regional language, and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Member(s). The members of the Syndicate shall accept Bids from the Bidders during the Bidding/ Issue Period in accordance with the terms of the Syndicate Agreement
- (i) The Price Band has been fixed at Rs. 316 to Rs. 330 per Equity Shares of Rs. 10 each, Rs. 316 being the lower end of the Price Band and Rs. 330 being the higher end of the Price Band. The Bidders can bid at any price within the Price Band, in multiples of Rs. 1 (One)
- (j) Our Company in consultation with the BRLM, reserve the right to revise the Price Band, during the Bidding/Issue Period, in accordance with SEBI Regulations. The higher end of the Price Band should not be more that 20% of the lower end of the Price Band. Subject to compliance with immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band disclosed in the Red Herring Prospectus.
- (k) Our Company in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
- (l) For ASBA Process, please refer chapter titled '*Issue Procedure for ASBA Bidders*' beginning on page 415 of this Red Herring Prospectus.

#### **Method and Process of Bidding**

- a) The Company and the BRLM shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date and Price Band in the Red Herring Prospectus to be filed with the RoC and also publish the same in two widely circulated national newspapers (one each in English and Hindi) and one widely circulated Marathi newspaper. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Schedule XIII of the SEBI Regulations. The BRLM and the Syndicate Member(s) shall accept Bids from the Bidders during the Bidding Period in accordance with the terms of the Syndicate Agreement
- b) The Bidding Period shall be for a minimum of three working days and shall not exceed seven working days. Where the Price Band is revised, the revised Price Band and Bidding Period will be published in two national newspapers (one each in English and Hindi) and one widely circulated Marathi newspaper and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate. The Bidding Period may be extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding ten working days.
- c) During the Bidding Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.
- d) Each Bid-cum-Application Form will give the Bidder the choice to bid for up to three optional prices (for details please refer to the paragraph titled '*Bids at Different Price Levels and Revision of Bids*' on page 389 of this Red Herring Prospectus) and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
- e) The Bidder cannot bid on another Bid-cum-Application Form after his or her Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate will be treated as multiple bids and is liable to be rejected either before

entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph '*Bids at Different Price Levels and Revision of Bids*' on page 389 of this Red Herring Prospectus.

- f) During the Bidding Period, Bidders may approach the Syndicate Member(s) to submit their Bid. Every Syndicate Member shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids.
- g) Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph '*Terms of Payment and Payments into Escrow Accounts*' on page no. 391 of this Red Herring Prospectus.
- h) The BRLM and Syndicate Member(s) will enter each bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form. It is the responsibility of the Bidder to obtain the TRS from the members of the Syndicate.

### **Bids at Different Price Levels and Revision of Bids (Not Applicable to ASBA Investors)**

The Issue Price will be determined by our Company in consultation with the BRLM and the Selling Shareholders on the basis of assessment of the market demand for the Equity Shares, by way of the Book Building Process. The Price Band will be inserted in the Red Herring Prospectus filed with RoC.

The Price Band has been fixed at Rs. 316 to Rs. 330 per Equity Share of Rs. 10 each, Rs. 316 being the Floor Price and Rs. 330 being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of 20 Equity Shares.

Our Company in consultation with the BRLM and the Selling Shareholders reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations by informing the SCSBs, Stock Exchanges, releasing a press release, disclosure on the website of the members of the Syndicate, if any and notification on the terminal of the members of the Syndicate. In case of a revision in the Price Band, the Issue will be kept open, if required, for a period of three (3) working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten (10) working days. Our Company in consultation with BRLM and the Selling Shareholders can finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with the immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band disclosed in the Red Herring Prospectus.

- (a) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may bid at "Cut-off". However, bidding at Cut-off Price is prohibited for QIB Bidders and Non Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and such Bids from QIB Bidders and Non Institutional Bidders shall be rejected.
- (b) Retail Individual Bidders where the Bid Amount is less than Rs. 100,000 who bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders at Cut-Off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders and Bidders in the Employee Reservation Portion, who Bid at Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), such Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the Escrow Account or the Refund Account, as the case may be.
- (c) Our Company in consultation with BRLM and the Selling Shareholders can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
- (d) Our Company in consultation with the BRLM and the Selling Shareholders, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. The cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus
- (e) In accordance with SEBI Regulations, our Company in consultation with the BRLM reserves the right to revise the Price Band during the Bidding Period by informing the stock exchanges, releasing a press release, disclosure on the website of the members of the Syndicate, if any and notification on the terminal of the members of the Syndicate. In case of a revision in the Price Band, the Issue will be kept open for a period of three working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days.

- (f) The Price Band can be revised during the Bidding Period in which case the maximum revisions on either side of the Price Band shall not exceed 20% fixed initially.
- (g) Any revision in the Price Band shall be widely disseminated including by informing the Stock Exchanges, issuing Press Release and making available this information on the Bidding terminals.
- (h) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 20 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.
- (i) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Bidders in the Employee Reservation Portion who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher cap of the revised Price Band (such that the total amount i.e., the original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at the Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band before revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
- (j) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Bidders in the Employee Reservation Portion who have Bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.
- (k) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bidding/Issue Period using the printed revision Form which is a part of the Bid cum Application Form.  
Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (l) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.
- (m) Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (n) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount in QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- (o) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. ***It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.***
- (p) In case of discrepancy of data entered in the electronic book vis-à-vis the data contained in the physical bid form, for a particular bidder the details as per physical application form of that bidder may be taken as the final data for the purpose of allotment.
- (q) Revision option is not available for ASBA applicant. Please refer the chapter titled 'Issue Procedure for ASBA Bidders' beginning on page 415 of this Red Herring Prospectus.

#### **Escrow Mechanism (not applicable to ASBA Investors)**

Our Company, the Selling Shareholders, the BRLM and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favor the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account for the Issue.

The Escrow Collection Bank(s) will act in terms of the Red Herring Prospectus and an Escrow Agreement to be entered into amongst our Company, the BRLM, Escrow Bankers and Registrar to the Issue. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account of the Company with the Bankers to the Issue as per the terms of the Escrow Agreement and Red Herring Prospectus. Payments of refunds to the Bidders shall also be made from the Escrow Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, the Selling Shareholders, the Registrar to the Issue, BRLM and Syndicate Members to facilitate collections from the Bidders.

For ASBA Process, please refer chapter titled '*Issue Procedure for ASBA Bidders*' beginning on page 415 of this Red Herring Prospectus.

**Terms of Payment and Payment into the Escrow Account (*not applicable to ASBA Investors*)**

Each Bidder shall pay the applicable Margin Amount with the Bid Cum Application Form through a cheque or demand draft for the maximum amount of his/ her Bid in favor of the Escrow Account of the Escrow Collection Bank(s) (for details please refer the paragraph '*Payment Instructions*' on page 400 of this Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid Cum Application Forms accompanied by cash or stockinvest shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid Cum Application Form based on the highest bidding option of the Bidder. The Bidders may also provide the applicable Margin Amount through an electronic transfer of funds through the RTGS mechanism.

Each QIB shall provide the QIB Margin Amount only through a BRLM. The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with one of the Escrow Collection Banks. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account maintained by the Refund Bank, and not later than 15 days from the Bid/Issue Closing Date, the Refund Bank shall refund all monies to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

Each category of Bidders (i.e. Eligible Employees bidding in the Employee Reservation Portion, QIB Bidders, Non Institutional Bidders and Retail Individual Bidders) would be required to pay their applicable Margin Amount at the time of submission of the Bid Cum Application Form. The Margin Amount payable by each category of Bidders is mentioned in the chapter titled '*Issue Structure*' beginning on page 375 of this Red Herring Prospectus. After the Bid/Issue Closing Date, the level of subscription in all categories shall be determined. Based on the level of subscription, additional margin money, if any, shall be called from the QIB Bidders. If such additional margin money is not paid into the appropriate Escrow Account within the time and in the manner stipulated above, the Bid of such QIB Bidder is liable to be rejected. Further we may call for additional Margin amount over and above the minimum prescribed 10% Margin Amount from certain QIBs at our discretion prior to acceptance of the Bid anytime upto the Bid/Issue Closing date and shall have the right to reject such bids on technical ground in case of non-receipt of such additional margin. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the Allocation list to the members of the Syndicate by the BRLM, and would be specified in the CAN. If the payment is not made favouring the relevant Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not accept such margin payment, the full amount of payment has to be made at the time of submission of the Bid Cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for Allocation, will be refunded to such Bidder within 15 days from the Bid/Issue Closing

Date, failing which and our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

For ASBA Process, please refer chapter titled 'Issue Procedure for ASBA Bidders' beginning on page 415 of this Red Herring Prospectus.

**Electronic Registration of Bids (not applicable to ASBA Investors except for sub-clauses (h) & (i), which are applicable to all categories of investors)**

- (a) The members of the Syndicate will register the Bids using the on-line facilities of the BSE and the NSE. There will be atleast one online connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.
- (b) The BSE and the NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding/Issue Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. Pursuant to the SEBI Regulations the Bidding terminals shall contain an online graphical display of demand and Bid prices updated at periodic intervals, not exceeding 30 minutes. On the Bid /Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. Bidders are cautioned that a high inflow of Bids, typically experienced on the last day of bidding, may lead to some bids received on the last day not being uploaded, due to lack of sufficient uploading time & such Bids that could not be uploaded may not be considered for allocation.
- (c) The aggregate demand and price for Bids registered on the electronic facilities of the BSE and the NSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and at the websites of BSE at [www.bseindia.com](http://www.bseindia.com) and NSE at [www.nseindia.com](http://www.nseindia.com). A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period. The Book gets built up at various price levels. This information will be available with the BRLM on regular basis.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
  - Name of the Bidder(s) (Investors should ensure that the name given in the Bid cum Application form is exactly the same as the Name in which the Depository Account is held. In case, the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form).
  - Investor category – Individual, Corporate, Eligible Employee, QIB, Eligible NRI, FII or Mutual Fund etc.
  - Numbers of Equity Shares bid for;
  - Bid price;
  - Bid cum Application Form number;
  - Margin Amount paid upon submission of Bid cum Application Form;
  - Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate, the Selling Shareholders or our Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) In case of QIB Bidders, members of the syndicate have the right to accept the bid or reject it. A rejection can be made only at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case on non-institutional Bidders and Retail Individual Bidders who Bid, Bids may be rejected on technical grounds as listed on page 403 of this Red Herring Prospectus.
- (h) It is to be distinctly understood that the permission given by the BSE and the NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLM are cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

- (i) It is also to be distinctly understood that the approval given by the BSE and the NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on the BSE and the NSE.
- (j) Only bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ allotment. In case of discrepancy of data between the BSE and NSE and the members of syndicate, the decision of the BRLM based on the physical records of Bid Applications Forms shall be final and binding on all concerned.

### **Build Up of the Book and Revision of Bids**

The Issue Price will be determined by our Company in consultation with the BRLM, on the basis of assessment of the market demand for the Equity Shares, by way of the Book Building Process. The Price Band will be decided by us in consultation with the BRLM and inserted in the Red Herring Prospectus filed with RoC.

- a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis. Pursuant to the SEBI Regulations the Bidding terminals shall contain online graphical display of demand and Bid prices updated at periodic intervals not exceeding thirty minutes.
- b) The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.
- c) The Price Band can be revised during the bidding period, in which case the bidding period shall be extended further for a period of three days, subject to the total bidding period not exceeding three working days. The Cap on the price band shall not be more than 20% of the floor of the price band. Subject to compliance with the immediately preceding sentence, the floor of price band can move up or down to the extent of 20% of the floor of the price band disclosed in the Red Herring Prospectus.
- d) Any revision in the price band will be widely disseminated by informing the Stock Exchanges, by issuing a Public Notice in two national newspapers (one each in English and Hindi) and one local newspaper and also indicating the change on the relevant websites and the terminals of the members of the syndicates.
- e) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form. **However, the right to revise Bids is not available to ASBA Investors, and the provisions of this section titled “Build up of the Book and Revision of Bids” and otherwise in this chapter titled “Issue Procedure” pertaining to revision of Bids shall be applicable only to non-ASBA Investors.**
- f) Revisions can be made in both the desired number of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- g) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- h) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIBs, the members of the Syndicate shall collect the payments in the form of cheque or demand draft or the electronic transfer of funds through RTGS for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- i) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.
- j) Only Bids that are uploaded on the online IPO system of the BSE and the NSE shall be considered for Allocation/ Allotment. In case of discrepancy of data between the Bids registered on the online IPO system of the BSE and the NSE and physical Bid-cum-Application Form, the decision of our Company, in consultation the BRLM, and the

Designated Stock Exchange, based on the physical records of Bid-cum-Application Forms shall be final and binding on all concerned.

### **Option to Subscribe**

Equity Shares being offered through this Red Herring Prospectus can be applied for in dematerialized form only. Bidders will not have an option of getting the allotment in physical form. The equity shares, on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

### **Price Discovery and Allocation**

1. After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with us and the Selling Shareholders.
2. Our Company in consultation with the BRLM and the Selling Shareholders shall finalise the “Issue Price” and the number of Equity Shares to be allotted.
3. The allocation for QIBs, up to 50% of the Net Issue (including 5% specifically reserved for Mutual Funds) would be on a proportionate basis in consultation with Designated Stock Exchange subject to valid bids being received at or above the Issue Price. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Net Issue, respectively, would be on proportionate basis, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
4. In case of over-subscription in all investor categories, up to 50% of the Net Issue shall be available for Allocation on a proportionate basis to QIBs, out of which 5% shall be reserved for Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for Allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for Allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIBs.  
Under subscription, if any, in any of the categories other than the QIB Portion, would be allowed to be met with spill over from any of the other category or combination of categories by our Company, in consultation with the BRLM and Designated Stock Exchange in accordance with applicable laws, rules, regulations and guidelines. However, if the aggregate demand by Mutual Funds is less than [•] Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders.
5. In case of under-subscription in the Employee Reservation Portion, the same would be allowed to be met with spillover interse from the any other category, at the sole discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.
6. Allocation to Eligible NRIs or FIIs, Mutual Funds or FVCIs applying on repatriation basis will be subject to the terms and conditions stipulated by RBI and applicable laws, rules, regulations, guidelines and approval.
7. The BRLM, in consultation with our Company and the Selling Shareholders shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
8. Our Company in consultation with the BRLM and the Selling Shareholders reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before the Board meeting for allotment without assigning any reason whatsoever.
9. In terms of SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.
10. The Company in consultation with the BRLM and the Selling Shareholders, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting such Bid shall be provided to such Bidder in writing.
11. The allotment details shall be put on the website of the Registrar to the Issue.

### **Signing of Underwriting Agreement and RoC Filing**

- (a) Our Company, the Selling Shareholders, the BRLM and the Syndicate Member(s) shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.
- (b) After signing the Underwriting Agreement, our Company would update and file the updated Red Herring Prospectus with RoC, which then would be termed ‘Prospectus’. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

### **Filing of the Prospectus with RoC**

The Company will file a copy of the Prospectus with the Registrar of Companies, Mumbai, Maharashtra in terms of Section 56, Section 60 and Section 60B of the Companies Act.

### **Announcement of Pre-Issue Advertisement**

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on this Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI Regulations in three (3) widely circulated newspapers (one English national newspaper, one Hindi national newspaper and one regional language newspaper).

### **Advertisement regarding Issue Price and Prospectus**

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English, Hindi and Marathi newspaper with wide circulation in the place where our Registered Office is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

### **Issuance of Confirmation of Allocation Note (CAN)**

After the determination of Issue Price, the following steps would be taken:

- (a) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM, or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, Bidders should note that the Company should ensure that the date of Allotment of the Equity Shares to all Bidders, in all categories, shall be done on the same date. The BRLM or Registrar to the Issue shall send to the Syndicate Members a list of their Bidders who have been allocated Equity Shares in the Issue.
- (b) The BRLM or Syndicate Member(s) would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.
- (c) Bidders who have been allocated Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be a deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.
- (d) The issuance of a CAN is subject to 'Notice to QIB: Allotment Reconciliation and Revised CANs' as set forth below.

### **Notice to QIB: Allotment Reconciliation and Revised CANs**

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid applications received and uploaded on the BSE/ NSE system. Based on the electronic book, QIBs will be sent a CAN on or prior to [•], 2008, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs, on or prior to [•], 2008, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the Issue of a revised CAN) for the QIB to pay the



entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

### **Designated Date and Allotment of Equity Shares**

- (1) Our Company will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date.
- (2) After the funds are transferred from the Escrow Account and SCSBs to the Public Issue Account and the Refund Account on the Designated Date, we would allot the Equity Shares to the allottees. Our Company would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the allottees shall be completed within two working days of the date of finalization of the basis of allotment. In case, our Company fails to make allotment or transfer within 15 days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% per annum.
- (3) In accordance with the SEBI Regulations, Equity Shares will be issued and allotment shall be made only in the dematerialised form to the allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

***Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.***

### **General Instructions**

#### ***Do's:***

- (a) Check if you are eligible to apply with regard to applicable laws, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus;
- (b) Complete the Bid-cum-Application Form/ASBA Form after reading all the instructions carefully;
- (c) Ensure that the details about Depository Participant and Beneficiary Account are correct as Equity Shares will be allotted in the dematerialized form only; Bids through ASBA shall be submitted to any of the designated branches & or the controlling branches of the SCSB where the investors has his account;
- (d) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;
- (e) Ensure that you have been given a TRS for all your Bid options;
- (f) Submit Revised Bids to the same member of the Syndicate through whom the Original Bid was placed and obtain a revised TRS;
- (g) Ensure that the bid is within price band and the DP Account is activated;
- (h) Investors must ensure that the name given in the Bid-cum-Application Form/ ASBA Form is exactly the same as the name in which the Depository Account is held. In case, the Bid-cum- Application Form/ASBA Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same sequence as they appear in the Bid-cum- Application Form/ASBA Form;
- (i) Each of the Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act in the Bid-cum-Application Form. (Please refer the paragraph '*Issue Procedure - PAN Number*' on page 402 of this Red Herring Prospectus);
- (j) Ensure that demographic details (as defined herein below) are updated true and correct in all respects.

#### ***Don'ts:***

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not Bid/ revise Bid price to less than the lower end of the price band or higher than the higher end of the price band;
- (c) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the member of the Syndicate;
- (d) Do not pay the Bid amount in cash, postal order or by Stockinvest;
- (e) Do not send Bid-cum-Application Forms by post; instead submit the same to members of the Syndicate only;
- (f) Do not Bid at Cut-Off Price (for QIBs and Non-Institutional bidders and such Bidders in the Employee Reservation Portion, for bid amount in excess of Rs.100,000);

- (g) Do not fill up the Bid-cum-Application Form such that the Equity Shares bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations; and
- (h) Do not submit Bid accompanied with Stock invest;
- (i) Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;
- (j) Do not Bid at bid amount exceeding Rs. 100,000 in the case of a Bid by a Retail Individual Bidder;
- (k) Do not submit the Bid without the QIB Margin Amount, in the case of a Bid by a QIB; and
- (l) Do not submit GIR Number instead of PAN as the bid is liable to be rejected on this ground.

### **Instructions for Completing the Bid cum Application Form**

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from the BRLM or Syndicate Member(s).

#### ***Bids and revisions of Bids***

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRIs and FIIs & pink colour for eligible employees applying on a repatriation basis.)
- (b) In single name or in joint names (not more than three and in the same order as their Depository Participant details.
- (c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
- (d) The Bids from the Retail Individual Bidders must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter subject to a maximum Bid Amount of Rs.100, 000.
- (e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of 20 Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 20 Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- (f) For Eligible Employees bidding in the Employee Reservation Portion Bids must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter subject to a maximum of the Issue size. The Allotment in the Employee Reservation Portion will be on a proportionate basis. If the aggregate demand at or above the Issue Price in the Employee Reservation Portion is greater than 200,000 Equity Shares, allocation shall be made on a proportionate basis and the maximum allotment to an Employee shall be capped at 200,000 Equity Shares.
- (g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- (h) Eligible NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of 20 Equity Shares thereafter that the Bid Price exceeds Rs. 100,000.
- (i) Bids by Non Residents, NRIs and FIIs, FVCIs, multilateral and bilateral development financial institutions on a repatriation basis shall be in the names of individuals, or in the names of FIIs, FVCIs multilateral and bilateral development financial institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

#### **Bids and revision of the Bids by Eligible NRIs and FIIs on Repatriation Basis**

##### ***Bids and Revision to Bids must be made:***

- a) On the prescribed Bid cum Application Form or the Revision Form, as applicable (White Colour for Resident Indians & Blue for Non- Residents including Eligible NRI's, FIIs, FVCIs, Multilateral & Bilateral development financial institutions applying on repatriation basis, pink in colour for the bidders in the Employee Reservation Portion) and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- b) In a single name or joint names (not more than three and in the same order as their Depository Participant details).

- c) By FIIs for a minimum of such number of Equity Shares and in multiples of 20 thereafter that the Bid Amount exceeds Rs. 100,000. For further details please refer chapter titled 'Issue Procedure' beginning on page 380 of this Red Herring Prospectus.
- d) Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation. Other Non- Resident Bidders for a minimum of such number of Equity Shares and in multiples of 20 thereafter that the Bid Amount exceeds Rs. 100,000. For further details, please refer to the sub-section titled "Maximum and Minimum Bid Size" in chapter titled 'Issue Procedure' beginning on page 387 of this Red Herring Prospectus.
- e) Bids by the individual, in the name of NRIs and FIIs or FVCIs or multilateral & bilateral development financial institution on a repatriation basis but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
- f) For Eligible Employee bidding in the Employee Reservation Portion Bids must be for a minimum of 20 Equity Shares & in multiples of 20 Equity Shares thereafter subject to a maximum of the Issue Size.
- g) In Single name or in joint names ( not more than three and in the same order as their Depositories Participant details)
- h) In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral & Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals ( excluding NRIs) or their nominees or OCB's.

***Bidder's Depository Account Details and Bank Account Details***

***Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details including Magnetic Ink Character Recognition (MICR) Code (a nine digit code appearing on a cheque leaf) and occupation (hereinafter referred to as 'Demographic Details').***

***These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders 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 despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLM or the registrar or the Escrow Collection Banks nor the Company nor the Selling Shareholders shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form***

***It is mandatory for all the bidders to get their Equity Shares in dematerialised form. All bidders should mention their depository participant's name, depository participant identification number and beneficiary account number in the bid cum application form. Investors must ensure that the name given in the Bid cum Application form is exactly the same as the name in, which the depository account is held. In case the Bid cum Application form 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 Bid cum Application form.***

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation ('Demographic Detail'). Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form. These Demographic Details will be used for all correspondence with the Bidders including mailing of the refund orders/ECS credit for refunds/direct credit of refund/CANs/allocation advice/NEFT or RTGS for refunds and printing of Company particulars on the refund order. The Demographic Details given by Bidders in the Bid cum Application Form will not be used for any other purposes by the Registrar to the Issue.

By signing the Bid cum Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Allocation Advice/CANs/ refund orders/ refund advice would be mailed at the address of the Bidders as per the Demographic Details received from the Depositories. Bidders may note that delivery of allocation advice/CANs/ refund orders/ refund advice 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 Bidders in the Bid cum Application form would be used only to ensure dispatch of refund orders. In the case of refunds through electronic modes Bidders may note that of refund may get delayed if the bank particulars obtained from the Depositories are incorrect. Please note that any such delay shall be at the Bidders sole risk and we nor the Escrow Collection Bank nor the BRLM nor the Selling Shareholders shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. **In case of refunds through electronic modes as detailed in this Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.**

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

The Company and the Selling Shareholders in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

***Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.***

***As per the RBI regulations, OCBs are not permitted to participate in the Issue. Further, there is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.***

***The information above is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus.***

***Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.***

#### **Bids under Power of Attorney**

- (a) In case of Bids made pursuant to a Power of Attorney by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Articles of Association and/or Bye Laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.
- (b) In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.
- (c) In case of Bids made by Insurance Companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

- (d) In case of Bids made by Provident Funds with minimum corpus of Rs. 250 million and Pension Funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.
- (e) In case of Bids made by Mutual Fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

Our Company, in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Bid-cum-Application form, subject to such terms that BRLM may deem fit.

The Company and the Selling Shareholders, in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Bid-cum- Application Form instead of those obtained from the Depositories.

**Payment Instructions (not applicable to ASBA Investors)**

**Payment into the Escrow Accounts (not applicable to ASBA Investors)**

Our Company, the BRLM and the Syndicate Member(s) shall open an Escrow Account with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

- (a) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favor of the Escrow Account and submit the same to the members of the Syndicate.
- (b) The Bidders may also provide the applicable Margin Amount through an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide the QIB Margin Amount only through a BRLM.
- (c) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the equity shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the Allocation list to the members of the Syndicate by the BRLM.
- (d) All cheques / bank drafts accompanying the Bid should be crossed “A/c Payee Only” and shall be payable at the place of bidding and drawn in favor of:
  - (i) In case of Resident QIB Bidders: **"Escrow Account –Cox and Kings IPO – QIB-R"**
  - (ii) In case of Non Resident QIB Bidders: **"Escrow Account - Cox and Kings IPO – QIB-NR"**
  - (iii) In case of Resident Retails and Non Institutional Bidders: **"Escrow Account – Cox and Kings IPO - R"**
  - (iv) In case of Non Resident Retail and Non Institutional Bidders: **"Escrow Account – Cox and Kings IPO – NR"**
  - (v) In case of Eligible Employees bidding in the Employee Reservation portion : **"Escrow Account - Cox and Kings IPO – Employee"**
  - (vi) In case of Resident Anchor Investors: **"Escrow Account – Cox and Kings IPO – Anchor Investor"**
  - (vii) In case of Non-Resident Anchor Investor: **"Escrow Account – Cox and Kings IPO – Anchor Investor - NR"**
- (e) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.

- (f) In case of Bids by FIIs or FVCIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
- (g) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder by the Refund Bank from the Refund Account.
- (h) The monies deposited in the Escrow Account will be held for the benefit of the Bidders until Designated Date.
- (i) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue. Further, on the Designated Date, the Escrow Collection Banks shall transfer all amounts liable to be refunded to unsuccessful bidders and the excess amounts paid on Bidding to the Refund Account held by the Refund Bank for the benefit of the Bidders entitled to a refund.
- (j) On the Designated Date and no later than fifteen (15) days from the Bid/Issue Closing Date, the Refund Bank shall, from the Refund Account, refund all amounts payable to unsuccessful bidders and also the excess amount paid on Bidding, if any.
- (k) **Payments should be made by cheque, or demand draft drawn on any bank (including a Co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the center where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stock invest/money orders/ postal orders will not be accepted.**
- (l) Bidders are advised to mention the number of application form on the reverse of the cheque / demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.
- (m) In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

***Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which and our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.***

#### ***Payment Instructions - ASBA INVESTORS***

In case of bids by ASBA investors, on the submission of the ASBA Form with the SCSB (whether in physical or electronic form), the Bid monies in the investor's account maintained with the respective SCSB shall be blocked till the receipt of intimation from the Registrar by the controlling branch of the respective SCSBs containing the following details along with the instruction to unblock the relevant bank accounts and transfer the monies to our Company's account within the stipulated timelines:

- (i) Number of shares to be allotted against each valid ASBA;
- (ii) Amount to be transferred from the relevant bank account to the issuer's account, for each valid ASBA;
- (iii) The date by which the funds referred to in sub-para (ii) above, shall be transferred to the issuer's account; and
- (iv) Details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/ unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective bank accounts.

The Registrar shall also inform the SCSB about all the rejected ASBAs and the reason for them being rejected. The SCSB on being so instructed by the Registrar to the Issue shall unblock the relevant bank accounts for transfer of requisite money to the issuer's account for each valid ASBA.

In case the bank account of the investor does not have sufficient balance to meet the application money the ASBA shall stand rejected.

#### **Payment by Stockinvest**

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.001/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

## **Submission of Bid cum Application Form**

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate Member(s) at the time of submission of the Bid. At the time of submission of Bid cum Application Form and Revision Form, each member of the Syndicate shall collect the 10% or 100% Margin Amount as may be applicable.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Syndicate Member will acknowledge the receipt of the Bid-cum- Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

## **Other Instructions**

### ***Joint Bids in the case of Individuals***

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favor of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the demographic details received from the Depository or otherwise.

### ***Multiple Bids***

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as probable multiple masters.
2. In this master, a check will be carried out for the same PAN numbers. In cases where the PAN numbers are different, the same will be deleted from this master.
3. The addresses of all these applications from the multiple masters will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters, i.e., commas, full stops, hashes etc. Sometimes, the name, the first line of the address and pin code will be converted into a string for each application received and a photo match will be carried out among all the applications processed. A print-out of the addresses will be made to check for common names. Applications with the same name and same address will be treated as multiple applications.
4. The applications will be scanned for similar DP ID and client identity numbers. In cases where applications bear the same numbers, these will be treated as multiple applications.
5. After the aforesaid procedures, a print-out of the multiple master will be taken and the applications physically verified to tally signatures and also father's/husband's names. On completion of this, the applications will be identified as multiple applications.
6. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.
7. Eligible Employees bidding in the Employee Reservation Portion can also Bid in the Net issue Portion & such Bids shall not be treated as multiple Bids.
8. In cases where there are more than 20 valid applicants having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of KYC norms by the depositories.
9. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

### ***Permanent Account Number (PAN)***

Pursuant to the circular MRD/DoP/Circ-05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Bidders should mention his/her PAN allotted under the IT Act.

**Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

The SEBI Regulations stipulate that all applicants are required to disclose their PAN allotted under the I.T. Act in the Bid cum Application Form (including the ASBA Form), irrespective of the amount of the Bid. Applications in which PAN so allotted is not mentioned would be rejected.

**Therefore, irrespective of the amount of the Bid, the Bidder or in the case of a Bid in joint names, each of the Bidders should mention his/her PAN allotted under the I.T. Act.**

Bid-cum-Application Forms (including the ASBA Form) without PAN number will be considered incomplete and are liable to be rejected. In terms of SEBI Circular bearing no. MRD/DoP/Cir-20/2008 dated June 30, 2008, certain categories of investors (namely the Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government)) shall be exempted from submitting their PAN, only if such organisations submit sufficient documentary evidence to support the veracity of their claim for such exemption.

#### ***Unique Identification Number (“UIN”)***

With effect from July 1, 2005, SEBI had decided to suspend all fresh registrations for obtaining UIN and the requirement to contain/quote UIN under the SEBI MAPIN Regulations/Circulars vide its circular MAPIN/Cir-13/2005. However, in a recent press release dated December 30, 2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UINs in a phased manner. The press release states that the cut off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs. 100,000 to Rs. 500,000 or more. The limit will be reduced progressively. For trade order value of less than Rs. 500,000, an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of this Red Herring Prospectus and SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations. On June 25, 2007 the SEBI has decided to discontinue with the requirement of UIN under the SEBI MAPIN Regulations.

SEBI has, vide circular no. MRD/DoP/Cir- 05/2007 dated April 27, 2007, with effect from July 2, 2007 declared that the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Thus, the requirement of Unique Identification Number (UIN) under the SEBI (Central Database of market Participants Regulations), 2005/circulars by SEBI has been discontinued vide circular No. MRD/DoP/Cir- 08/2007 dated June 25, 2007.

#### ***Our Right to Reject Bids***

Our Company and the BRLM reserve the right to reject any QIB Bid provided the rejection is at the time of receipt of Bid and the reason in writing for rejection of the Bid is communicated to the Bidder at the time of rejection of Bid. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company and the BRLM have a right to reject bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the bidder's address at the Bidders' risk.

#### ***Grounds for Technical Rejections***

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

1. Amount paid doesn't tally with the amount payable for the highest number of Equity Shares bid for;
2. Age of First Bidder not given;
3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
4. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane Persons;
5. PAN not given and GIR number given instead of PAN number;
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than lower end of the Price Band;



8. Bids at a price more than the higher end of the Price Band;
9. Bids at Cut-Off Price by Non-Institutional and QIB Bidders;
10. Bids by QIBs that are not submitted through the BRLM;
11. Bids for number of Equity Shares which are not in multiples of 20;
12. Category not ticked;
13. Multiple bids as defined in this Red Herring Prospectus;
14. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
15. Bids accompanied by Stock invest/ money order/postal order/cash;
16. Signature of sole and / or joint bidders missing;
17. Bid cum Application Form does not have the stamp of the BRLM or Syndicate Member(s);
18. Bid cum Application Form does not have Bidder's depository account details;
19. In case no corresponding record is available with the Depository that matches three parameters namely; name of Bidder (including sequence of names of joint holders), depository participant identification number and beneficiary account number;
20. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Form, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Form;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
22. Bids by OCBs; and
23. Bid by U.S. residents or U.S persons or other than in reliance on Regulation S under the Securities Act;
24. Bids in respect where the Bid cum Application form do not reach the Registrar prior to the finalisation of the basis of allotment;
25. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
26. Bids by persons who are not eligible to acquire Equity Shares of our Company, in terms of all applicable laws, rules, regulations, guidelines and approvals.
27. Bids by NRIs not disclosing their residential status.
28. Bids by Non-residents such as OCBs, FVCIs, multilateral and bilateral development financial institutions;
29. Banks account details not given;
30. Signature of sole and/ or joint Bidders missing;
31. Bid cum Application Forms does not have the stamp of the BRLM, or Syndicate Member(s);
32. Bids by Employees or directors of our company or our holding company Bidding in the Employee Reservation Portion who are not eligible to apply in the Employee Reservation Portion.
33. Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
34. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
35. Bids or revisions thereof by QIB Bidders, Non Institutional Bidders where the Bid Amount is in excess of Rs. 100,000, uploaded after 5.00 pm on the Bid/ Issue Closing Date;
36. Bids by investors who are not eligible to bid using the ASBA Process
37. Bids by ASBA investors who have also bid in the Employee Reservation portion.

***Equity Shares in Dematerialized Form with NSDL or CDSL***

***As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).***

In this context, two agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

- a) A Tripartite agreement dated March 22, 2007 with NSDL, us and Registrar to the Issue;
- b) A Tripartite agreement dated March 21, 2007 with CDSL, us and Registrar to the Issue.

All Bidders can seek allotment only in dematerialized mode. Bids from any Bidder without relevant details of his or her Depository Account are liable to be rejected.

- a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

- b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
- c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
- d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrar to this Issue.
- f) If incomplete or incorrect details are given under the heading 'Request for Equity Shares in electronic form' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- g) The Bidder is responsible for the correctness of his or her demographic details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
- h) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- i) The trading of the Equity Shares of the Company would be in dematerialized form only for all investors in the demat segment of the respective Stock Exchanges.

As this Issue comprises of Fresh Issue, investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated to them pursuant to this Issue.

### **Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies 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.”**

### **Basis of Allotment or Allocation**

#### ***(A) For Bidders in the Employee Reservation Portion***

- Bids received from Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allocation to all successful Bidders in the Employee Reservation Portion will be made at the Issue Price.
- If the aggregate demand in the Employee Reservation Portion is less than or equal to 200,000 Equity Shares at or above the Issue Price, full Allocation shall be made to such Bidders in the Employee Reservation portion to the extent of the demand.
- If the aggregate demand in the Employee Reservation Portion is more than 200,000 Equity Shares at or above the Issue Price the Allocation shall be made on a proportionate basis of a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter, up to a maximum of 200,000 Equity Shares. For the method of proportionate basis of Allotment refer below.
- Only Eligible Employees may apply under the Employee Reservation Portion.
- For the definition of term “Eligible Employee” for the purposes of the Employee Reservation Portion please refer chapter titled ‘Definitions and Abbreviation’ beginning on page i of this Red Herring Prospectus.

**(B) For Retail Individual Bidders**

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allocation to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Net Issue Size less Allocation to Non-Institutional, QIB Bidders and Employee reservation portion shall be available for allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category are less than or equal to 6,403,824 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid bids.
- If the aggregate demand in this category is greater than 6,403,824 Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis of not less than 20 Equity shares and in multiple of 20 Equity Shares thereafter. For the method of proportionate basis of allotment, refer below.

**(C) For Non-Institutional Bidders**

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Net Issue Size less Allocation to QIBs, Retail Portion and Employee reservation portion shall be available for allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 2,744,496 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 2,744,496 Equity Shares at or above the Issue Price, allotment shall be made on a proportionate basis up to a minimum of 20 Equity Shares. For the method of proportionate basis of allotment refer below.

**(D) For QIBs**

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the Issue Price.
- Up to 50% the Net Issue on shall be available for allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
  - a) In the first instance Allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
    - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
    - (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
    - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for allotment to all QIB Bidders as set out in (b) below;
  - b) In the second instance Allocation to all QIBs shall be determined as follows:
    - (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
    - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
    - (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

Except for any shares Allocated to QIB Bidders due to under subscription in the Retail Portion Non Institutional Portion and Employee Reservation Portion, the aggregate Allocation to QIB Bidders shall be made on a proportionate basis up to the

extent of 9,148,320 Equity Shares and in multiples of 20 Equity Shares thereafter. For the method of proportionate basis of Allocation refer below.

The BRLM, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI Regulations. The drawing of lots (where required) to finalise the basis of Allotment shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

### **Procedure and Time of Schedule for Allotment and demat Credit of Equity**

The Issue will be conducted through a “100% Book Building Process” pursuant to which the Syndicate Member(s) will accept Bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [•] and expire on [•]. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM will determine the Issue Price, and the basis of Allocation and entitlement to Allotment based on the Bids received and subject to the confirmation by the Designated Stock Exchange. Successful Bidders will be provided with a CAN (subject to a revised CAN) and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The SEBI Regulations require our Company to complete the Allotment to successful bidders within fifteen (15) days of the expiration of the Bidding Period. The Equity Shares will then be credited and Allotted to the investors’ demat accounts maintained with the relevant Depository Participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence. This typically takes three (3) trading days from the date of crediting the investor’s demat account, subject to final approval by the Stock Exchanges.

### **Method of Proportionate Basis of Allocation in the Issue**

In the event of the Issue being oversubscribed, the Company shall finalize the basis of allotment in consultation with the BRLM and the Selling Shareholders, and the Designated Stock Exchange. The Executive Director (or any other Senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that basis of allotment is finalized in a fair and proper manner. The allotment shall be in marketable lots, on a proportionate basis as explained below.

- a. Bidders will be categorized according to the number of Equity Shares applied for by them.
- b. The total number of Equity Shares to be allotted to each category, as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c. The number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio in that category subject to minimum Allotment of 20 Equity Shares. The minimum Allotment lot shall be the same as the minimum application lot irrespective of any revisions to the Price Band.
- d. In all Bids where the proportionate allotment is less than 20 Equity Shares per Bidder, the allotment shall be made as follows:
  - Each successful Bidder shall be allotted a minimum of 20 Equity Shares ; and
  - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
- e. If the proportionate allotment to a Bidder is a number that is more than 20 but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.
- f. If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares. The basis of allocation on a proportionate basis shall be finalised in consultation with the Designated Stock Exchange.

## Illustration of Allotment to QIBs and Mutual Funds (“MF”)

### A. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	100 million equity shares
2.	Allocation to QIB (50%)	50 million equity shares
	Of which:	
	a. Allocation to MF (5%)	2.5 million equity shares
	b. Balance for all QIBs including MFs	47.5 million equity shares
3.	No. of QIB applicants	10
4.	No. of shares applied for	250 million equity shares

### B. Details of QIB Bids

Sr. No	Type of QIB bidders#	No. of shares bid for (in millions)
1.	A1	25
2.	A2	10
3.	A3	65
4.	A4	25
5.	A5	25
6.	MF1	20
7.	MF2	20
8.	MF3	40
9.	MF4	10
10.	MF5	10
	<b>Total</b>	<b>250</b>

# A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

### C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in millions)

Type of QIB bidders	Shares bid for	Allocation of 3 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 57 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	25	0	5.77	0
A2	10	0	2.31	0
A3	65	0	15.00	0
A4	25	0	5.77	0
A5	25	0	5.77	0
MF1	20	0.60	4.48	5.08
MF2	20	0.60	4.48	5.08
MF3	40	1.20	8.95	10.15
MF4	10	0.30	2.24	2.54
MF5	10	0.30	2.24	2.54
	<b>250</b>	<b>3.00</b>	<b>57.00</b>	<b>25.38</b>

**Please note:**

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the chapter titled 'Issue Structure' beginning on page 375 of this Red Herring Prospectus.
2. Out of 50 million Equity Shares allocated to QIBs, 2.5 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 100 shares in QIB category.
3. The balance 47.5 million Equity Shares (i.e. 50-2.5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 250 Equity Shares (including 5 MF applicants who applied for 100 Equity Shares).
4. The figures in the fourth column titled "Allocation of balance 47.5 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:
  - For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 47.5 / 247.5
  - For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted ( i.e., column III of the table above)] X 47.5 / 247.5
  - The denominator for arriving at allocation of the balance 57 million Equity Shares to the 10 QIBs are reduced by 2.5 million Equity Shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.
  - The numerator for arriving at allocation of balance 57 million Equity Shares to the Mutual Fund applicants is reduced by the respective number of Equity Shares already allotted to each Mutual Fund in the manner specified in column III of the table above. Funds in the manner specified in column III of the table above.

**Payment of Refunds**

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification (DP ID) number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, the Bidders bank account details including the nine digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf. Hence, Bidders 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 Bidders at the Bidders sole risk and neither the BRLM nor our Company nor the Escrow Collection Banks nor the Refund Bank nor the Registrar shall have any responsibility and undertake any liability for the same.

**Mode of making Refunds**

The payment of refund, if any, would be done through various modes in the following order of preference:

- **ECS** — Payment of refund would be done through ECS for applicants having an account at any of the following 68 centres Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram, Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (non MICR), Pondicherry, Hubli, Shimla (non- MICR), Tirupur, Sholapur, Burdwan (non – MICR), Durgapur (non- MICR), Ranchi, Tirupati (non –MICR), Dhanbad (non- MICR), Nellore (non-MICR), Kakinada (non- MICR), Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur , Gorakhpur, Jammu, Indore, Pune, Salem, Jamshedpur, Visakhapatnam, Mangalore, Coimbatore, Rajkot, Kochi/Ernakulam, Bhopal, Madurai, Amritsar, Haldia (non-MICR), Vijaywada, Bhilwara . This mode of payment of refunds would be subject to availability of complete bank account details including the nine-digit MICR code as appearing on a cheque leaf from the Depository. The payment of refund through ECS is mandatory for applicants having a bank account at any of the 68 centres as mentioned in SEBI circular no. **SEBI/CFD/DILDIP / 29 / 2008 /01/02** dated **February 1, 2008** named hereinabove, except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit , NEFT or RTGS. Refunds through ECS may also be done at other locations based on operational efficiency and in terms of demographic details obtained by Registrar from the depository participants.
- **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through 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. The process flow in respect of refunds by way of NEFT is at an evolving stage hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

Our Company, in consultation with the BRLM and the Registrar may decide to use the National Electronic Funds Transfer (“NEFT”) facility for payment of refunds.

- **Direct Credit**—Applicants having their bank account with the Refund Bank shall be eligible to receive refunds, if any, through Direct Credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company.
- **RTGS**—Applicants having a bank account at any of the 15 centres namely Ahmedabad, Bangalore, Bhuvaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram and whose refund amount exceeds Rs. 1 million, shall have the option to receive refunds, if any, through RTGS. Such eligible applicants who indicate their preference to receive refunds through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event of failure to provide the IFSC code in the Bid cum Application Form, the refund shall be made through the ECS or direct credit, if eligibility is disclosed. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company. Charges, if any, levied by the applicant’s bank receiving the credit will be borne by the applicant.
- Please note that only applicants having a bank account at any of the 15 centres where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed hereinabove. For all the other applicants, including applicants who have not updated their bank particulars along with the nine-digit MICR Code, the refund orders will be despatched “Under Certificate of Posting” for refund orders of 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 draft drawn on the Escrow Collection Banks and payable at par at places where bids are received. Bank Charges, if any, for cashing such cheques, pay order or demand drafts at other centres will be payable by the Bidders.

***The bank account details for ECS, Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) credit will be directly taken from the Depositories’ database and hence bidders are required to ensure that bank details including the nine digit MICR code (Magnetic Ink Character Recognition) maintained at the Depository level are updated and correct.***

#### **Letters of Allotment or Refund Orders**

Our Company and the Selling Shareholders shall give credit to the beneficiary account of the successful bidder with Depository Participants and submit the documents pertaining to the listing of the Equity Shares to the Stock Exchanges within two (2) working days from the date of the allotment of Equity Shares. Applicants having bank accounts at any of the 68 centres as mentioned above and who have registered the nine digit MICR code of their bank branch with their depository participant will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through Direct Credit or Real Time Gross Settlement (RTGS). In case of other applicants, our Company shall ensure despatch of refund orders, if any, of value up to Rs. 1,500 by “Under Certificate of Posting”, and shall dispatch refund orders of Rs. 1,500 and above, if any, by registered post or speed post only at the sole or First Bidder’s sole risk within fifteen (15) days of the Bid/Issue Closing Date and adequate funds for the purpose shall be made available to the Registrar by us. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter (refund advice) through “Under Certificate of Posting” intimating them about the mode of credit of refund, the bank where refunds shall be credited along with the amount and the expected date of electronic credit of refund, within 15 days of closure of Issue.

Our Company shall ensure despatch of refund orders/refund advice, if any, by “Under Certificate of Posting” or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS, as applicable, only at the sole or First Bidder’s sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer.

In accordance with the requirements of the Stock Exchanges and SEBI Regulations, our Company and the Selling Shareholders further undertakes that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Despatch of refund orders/ refund advice shall be done within 15 days from the Issue Closing Date; and
- Our Company and the Selling Shareholders shall pay interest at 15% per annum (for any delay beyond the 15-day time period as mentioned above), if allotment is not made, refund orders/ credit intimation are not despatched and in case where a refund is made through electronic mode, the refund instructions have not been given to the clearing system, and demat credit within the 15 day time prescribed above, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer.
- Our Company will provide adequate funds required for the cost of despatch of refund orders/ refund advice/ allotment advice to the Registrar to the Issue.

Save and except refunds affected through the electronic mode i.e ECS, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders. However, charges levied by the Refund Bank for electronic payments such as ECS, direct credit, RTGS or NEFT would be borne by our Company.

**Disposal of Applications and Applications Money and Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders/ instruction to Self Certified Syndicate Banks by the Registrar**

Our Company shall ensure dispatch of allotment advice and/or refund orders/ refund advice (except for Bidders who receive refunds through electronic transfer of funds) as the case may be and give credit to the beneficiary account with their respective Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of Allotment. In case of applicants who receive refund through ECS, direct credit or NEFT, RTGS, the refund instruction will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund

We and the Selling Shareholders shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 7 (seven) working days of finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations we further undertake that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid /Issue Closing Date;
- Dispatch of refund orders within 15 (fifteen) days of the Bid /Issue Closing Date would be ensured; and
- Our Company and the Selling Shareholders shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen) day time period as mentioned above), if Allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Regulations.

We will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate Member(s) will acknowledge the receipt of the Bid cum Application



Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Save and except refunds effected through the electronic mode i.e. ECS, NEFT, direct credit or RTGS, refunds will be made by cheques, payorders, or demand drafts drawn on a bank appointed by us, as a refund bank, and payable at par at places where Bids are received, except for bidders who have opted to receive refunds through the electronic facility. Bank charges if any, for encashing such cheques, payorders or Demand drafts at other centres will be payable by the company.

#### **Interest in case of delay in dispatch of allotment letters/making refunds**

We and the Selling Shareholders agree that allotment of securities offered to the public shall be made not later than 15 days from the Bid/Issue Closing Date. We and the Selling Shareholders further agree that we shall pay interest at 15% per annum if the allotment letters/refunds orders have not been dispatched to the applicants within 15 days of the Bid/ Issue Closing Date or if in a case where refund or portion thereof is made in an electronic manner, the refund instructions have not been given to the clearing system in a disclosed manner within 15 days from the Bid/Issue Closing Date, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer.

#### **Interest on Refund of Excess Bid Amount**

Our Company and the Selling Shareholders shall pay interest at the rate of 15% per annum on the excess Bid amount received if refund orders are not dispatched within 15 days from the Bid/Issue Closing Date.

#### **Undertakings by our Company and the Selling Shareholders**

##### **Our Company undertake as follows:**

- That the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily;
- That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of allotment;
- That the funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by us;
- That where refunds are effected 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 the amount and expected date of electronic credit of the refund.
- That refunds shall be made as per the modes disclosed and allotment advice shall be dispatched to NRIs or FIIs within the specified time.
- That no further issue of Equity Shares shall be made, save and except as disclosed in this Red Herring Prospectus, till the Equity Shares issued through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc
- That adequate arrangement 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.
- That our Company shall not have any access to the Issue Proceeds until the approval for Trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
- That at any given time there shall be only one denomination for the shares of our Company
- That we shall comply with such disclosures and accounting norms as specified by SEBI from time to time.

##### **The Selling Shareholders undertake that:**

- The Equity Shares being sold pursuant to the Offer for Sale, have been held by the respective Selling Shareholders for a period of more than one year and the Equity Shares are free and clear of any liens or encumbrances, and shall be transferred to the eligible & successful Bidders within the specified time; and
- That each of the Selling Shareholders shall not have recourse to the proceeds of the Offer until the approval for the trading of the Equity Shares from all the stock exchanges, where listing is sought, has been received;
- That the complaints received in respect of this Issue shall be attended to by the Selling Shareholders only to the extent of their shares and as applicable expeditiously and satisfactorily. Each of the Selling Shareholders has authorized the Compliance Officer and the Registrar to the Issue to redress complaints, if any, of the investors;

- That the Allotment advice to the successful bidders shall be dispatched within specified time; and

The Company shall transfer to the Selling Shareholders, the proceeds from the Offer for Sale, on the same being permitted to be released in accordance with the applicable laws.

### **Utilization of Issue proceeds**

The Board of Directors of our Company certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate Bank Account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilized out of this Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been invested/ utilized;
- details of all unutilized monies out of this Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.
- details of all unutilized monies out of this Issue, received under the Employee Reservation Portion shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.
- Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- We shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

### **Rectification of Register of Members**

Our Company, under Section 111A of the Act will have the right to rectify the register of members to comply with the Act.

### **Anchor Investor Portion**

Our Company may consider participation by Anchor Investor in the Net Issue for up to 2,744,496 Equity Shares in accordance with the applicable SEBI Regulations. The Anchor Investor Bid/Issue Period shall be one day prior to the Bid/Issue Opening Date. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor category. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

- Anchor Investors shall be QIBs as defined in the SEBI Regulations.
- The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 100 million and in multiples of [·] Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion.
- Allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of 2 such investors for allocation of upto Rs. 250 crore and 5 such investors for allocation of more than Rs. 250 crore.
- Upto 30% of the portion available for allocation to qualified institutional buyers shall be available to anchor investor(s) for allocation/ allotment ('anchor investor portion')
- One-third of the Anchor Investor Portion shall be reserved for allocation to domestic mutual funds.
- The Bidding for Anchor Investors shall open one day before the Bid/Issue Opening Date and shall be completed on the same day.
- Allocation to Anchor Investors shall be completed on the day of bidding by Anchor Investors.
- The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLM before the Bid/Issue Opening Date.
- Anchor Investors shall pay Anchor Investor Margin Amount representing 25% on the Bid Amount at the time of submission of the Bid. Any difference between the amount payable by the Anchor Investor for Equity Shares Allocated and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Anchor Investor within two days of the Bid/ Issue Closing Date.
- In case the Issue Price is greater than the price at which Equity Shares are allocated to Anchor Investors, the additional amount being the difference between the Issue Price and the price at which Equity Shares were allocated to the Anchor Investors shall be paid by the Anchor Investors. In the event the Issue Price is lower than the price at which Equity Shares are allocated to Anchor Investors, the allotment to Anchor Investors shall be at the higher

price i.e. the price at which Equity Shares were allocated under the Anchor Investor Portion.

- (k) The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of allotment in the Issue.
- (l) The BRLMs or any person related to the BRLM / Promoters/Promoter Group shall not participate in the Anchor Investor Portion.
- (m) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- (n) The payment instruments for payment into the Escrow Account should be drawn in favour of:
  - In case of Resident Anchor Investors: “Escrow Account – Cox and Kings IPO – Anchor Investor”
  - In case of Non-Resident Anchor Investor: “Escrow Account – Cox and Kings IPO – Anchor Investor - NR”

This Red Herring Prospectus, in so far as it relates to terms of the Issue should be read in conjunction with the aforesaid paragraphs, to the extent applicable.

## ISSUE PROCEDURE FOR ASBA BIDDERS

**This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.**

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>. For details on designated branches of SCSB collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

### **ASBA Process**

A Resident Retail Individual Investor shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilized by the ASBA Bidder (“**ASBA Account**”) is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLM.

### **ASBA Bid cum Application Form**

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the code of the Syndicate Member(s) and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of this Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA Bid cum Application Form which shall be at Cut-off Price.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

### **Who can Bid?**

In accordance with the SEBI Regulations, only Resident Retail Individual Investor can submit their application through ASBA process to Bid for the Equity Shares of our Company.

### **Maximum and Minimum Bid Size for ASBA Bidders**

The ASBA Bid must be for a minimum of 20 Equity Shares and in multiples of 20 Equity Shares thereafter. The maximum ASBA Bid cannot exceed [●] Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA

Bidder does not exceed Rs. 100,000. The ASBA Bidders shall bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

#### **Information for the ASBA Bidders:**

- (a) The BRLMs shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLMs shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form. SCSBs shall make the same available on their websites.
- (b) ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLMs. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.
- (c) The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.
- (d) ASBA Bid cum Application Forms should bear the code of the Syndicate Member(s) and/or Designated Branch of the SCSB.
- (e) ASBA Bidders shall Bid for Equity Shares only at the Cut-off Price, with a single Bid option as to the number of Equity Shares.
- (f) ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.
- (g) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.
- (h) ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.
- (i) ASBA Bidders shall not be allowed to revise their Bid and shall not Bid under any reserved category.

#### **Method and Process of Bidding**

- (a) ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Regulations and Red Herring Prospectus.
- (b) The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders.
- (c) Each ASBA Bid cum Application Form will give the ASBA Bidder only one option to Bid for the Equity Shares at the Cutoff Price i.e. at the cap price of the Price Band and specify the demand (i.e. the number of Equity Shares Bid for) in such option. After determination of the Issue Price, the number of Equity Shares Bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have Bid for Equity Shares at or above the Issue Price or at Cut-off Price.
- (d) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.
- (e) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

- (f) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip (“TRS”). The TRS shall be furnished to the ASBA Bidder on request.
- (g) An ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non- ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue. **ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA Bid cum Application Form cannot be revised.**

### **Bidding**

- (a) The Price Band has been fixed at Rs. 316 to Rs. 330 per Equity Share of Rs. 10 each, Rs. 316 being the Floor Price and Rs. 330 being the Cap Price. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form, that is, at Cut-off Price with single option as to the number of Equity Shares.
- (b) In accordance with the SEBI Regulations, our Company reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
- (c) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a regional newspaper and also by indicating the change on the websites of the BRLM, SCSBs and at the terminals of the members of the Syndicate.
- (d) Our Company in consultation with the BRLM, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.
- (e) ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable, the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.
- (f) In case of an upward revision in the Price Band, announced as above, the number of Equity Shares bid for shall be adjusted downwards (to the previous multiple lot) for the purpose of allotment, such that no additional amount is required to be blocked in the ASBA Account and the ASBA Bidder is deemed to have approved such revised Bid at Cut-off Price.

### **Mode of Payment**

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB. Bid Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue. The entire Bid Amount, as per the ASBA Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

### Electronic registration of Bids by SCSBs

- (a) In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless
- it has received the ASBA in a physical or electronic form; and
  - it has blocked the application money in the ASBA Account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it
- (b) The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of Bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that are not uploaded may not be considered for allocation.
- (c) The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.
- (d) At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:
- Name of the Bidder(s);
  - Application Number;
  - Permanent Account Number;
  - Number of Equity Shares Bid for;
  - Depository Participant Identification No.; and
  - Client identification No. of the Bidder's beneficiary account

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the above mentioned details in the electronic bidding system provided by the Stock Exchange(s).

- (e) A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. ***It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.*** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be allocated to the ASBA Bidders.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLM or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company.
- (h) The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.
- (i) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

### Build up of the book and revision of Bids

- (a) Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLMs and the Stock Exchanges on a regular basis.

- (c) ASBA Bidders shall not revise their Bids.
- (d) The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue.
- (e) Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

### **Price Discovery and Allocation**

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, refer to the chapter titled “Issue Procedure” beginning on page 380 of this Red Herring Prospectus.

### **Advertisement regarding Issue Price and Prospectus**

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper, Hindi national newspaper of wide circulation and a Marathi newspaper with wide circulation at the place where the registered office of the issuer is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

### **Issuance of CAN**

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavor to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and
- (b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

### **Allotment of Equity Shares**

- (a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.
- (b) As per the SEBI Regulations, Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialize the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

## **GENERAL INSTRUCTIONS**

### ***Do's:***



- (a) Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.
- (b) Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.
- (c) Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).
- (d) Ensure that your Bid is at the Cut-off Price.
- (e) Ensure that you have mentioned only one Bid option with respect to the number of equity shares in the ASBA Bid cum Application Form.
- (f) Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.
- (g) Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account 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.
- (h) Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.
- (i) Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.
- (j) Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in the ASBA Account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.
- (k) Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.
- (l) Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.
- (m) Ensure that you have mentioned your Permanent Account Number (“PAN”) allotted under the I.T. Act.
- (n) Ensure that the name(s) and PAN given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid 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 ASBA Bid cum Application Form.
- (o) Ensure that the Demographic Details are updated, true and correct, in all respects.

***Don'ts:***

- (a) Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.
- (b) Do not submit an ASBA Bid if you are applying under any reserved category.
- (c) Do not revise your Bid.
- (d) Do not Bid for lower than the minimum Bid size.
- (e) Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.
- (f) Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.
- (g) Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.
- (h) Do not fill up the ASBA Bid cum Application Form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 100,000.
- (i) Do not submit the GIR number instead of the PAN Number.
- (j) Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

***Bids by ASBA Bidders must be:***

1. Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.
2. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.
4. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum of [●] Equity Shares such that the Bid Amount does not exceed Rs. 100,000.
5. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

#### **ASBA Bidder's depository account and Bank account details**

*All ASBA Bidders shall receive the equity shares allotted to them in dematerialised form. All ASBA Bidders should mention their Depository Participant's name, Depository Participant Identification Number, Beneficiary Account Number and PAN in the ASBA Bid cum Application Form. ASBA Bidders must ensure that the name given in the ASBA Bid cum Application Form is exactly the same as the name in which the depository account is held. Additionally, PAN in the ASBA Bid cum Application form should be exactly the same as provided while depository account. In case the ASBA Bid cum Application Form 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 ASBA Bid cum Application Form.*

*ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.*

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants. By signing the ASBA Bid cum Application Form, the ASBA Bidder is 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. CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or the Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be 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 ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected. ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

#### **Payment mechanism under ASBA**

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

#### **ASBA Bids under Power of Attorney**

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company in consultation with the BRLM and the Selling Shareholders, reserves the right to reject such ASBA Bids.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that we, in consultation with the BRLM may deem fit.

## **OTHER INSTRUCTIONS**

### **Withdrawal of ASBA Bids**

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

### **Joint ASBA Bids**

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

### **Multiple ASBA Bids**

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are described in paragraph '*Issue Procedure - Multiple Bids*' on page 402 of this Red Herring Prospectus.

### **Permanent Account Number**

For details, please refer paragraph '*Permanent Account Number or PAN*' on page 402 of this Red Herring Prospectus.

### **Right to Reject ASBA Bids**

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds. Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

### **Grounds for Technical Rejections under the ASBA Process**

In addition to the grounds listed under '*Grounds for Rejections*' on page 403 of this Red Herring Prospectus, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;
2. Bids at a price other than at the Cut-off Price;
3. Age of first Bidder not given;

4. Bid made by categories of investors other than Resident Retail Individual Investors;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
6. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;
7. ASBA Bids accompanied by stockinvest/ money order/ postal order/ cash;
8. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;
9. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;
10. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;
11. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account; and
12. If the ASBA Bid in the Issue is revised.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

### **Disposal of Investor Grievances**

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

### **Impersonation**

For details, please refer paragraph '*Issue Procedure- Impersonation*' on page 365 of this Red Herring Prospectus.

### **Disposal of Applications and Application Moneys and Interest in case of delay in instructions to SCSBS by the Registrar to the Issue**

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, the Company undertakes that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date; and
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date.

### **Basis of Allocation**

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, please refer '*Issue Procedure - Basis of Allotment*' on page 405 of this Red Herring Prospectus.

### **Method of Proportionate basis of allocation in the Issue**

ASBA Bidders, along with non-ASBA Bidders, will be categorized as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

### **Undertaking by our Company and the Selling Shareholders**

In addition to our undertakings described under '*Issue Procedure - Undertaking by our Company*' on page 412 of this Red Herring Prospectus, with respect to the ASBA Bidders, the Company undertakes that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

## Utilization of Issue Proceeds

Our Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, please refer paragraph 'Issue Procedure- Utilization of Issue Proceeds' on page 413 of this Red Herring Prospectus.

## Bid/Issue Programme

<b>BID/ISSUE OPENS ON:</b>	<b>November 18, 2009</b>
<b>BID/ISSUE CLOSES ON:</b>	<b>November 20, 2009</b>

Our Company may consider participation by Anchor Investors in terms of the SEBI Regulations. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.

Bids and any revision in Bids shall be accepted only between 10.00 a.m and 3.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form.

**On the Bid/Issue Closing Date (excluding ASBA Bidders), Bids shall be accepted only between 10.00 a.m and 1.00 p.m (Indian Standard Time) and uploaded till**

- (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and
- (ii) Until 5.00 p.m or such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000.

**It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.**

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application Form submitted through the ASBA process, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m (Indian Standard Time) on the Bid/Issue Closing Date. All times are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

Investors please note that as per letter no. List/smd/sm/2006 dated July 03, 2006 and letter no. NSE/IPO/25101-6 dated July 06, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and Holidays as declared by the exchanges.

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Regulations. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 20 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

**In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the NSE and the BSE, by issuing a press release, and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate. The Price Band will be decided by our Company in consultation with the BRLM.**

### **Withdrawal of the Issue**

The Company in consultation with the BRLM and the Selling Shareholders reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Board Meeting for Allotment, without assigning any reason thereof. If our Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue. The notice shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

### **Communications**

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid form, name and address of the Designated branch of Syndicate Member(s) where the Bid was submitted and cheque or draft, number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted, bank account number in which the amount equivalent to the Bid amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the BRLM, the Syndicate Member(s) and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI Regulations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

***The above information is given for the benefit of the Bidders. Our Company and the Book Runners are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations. However, we shall update this Red Herring Prospectus and keep the public informed of any material changes in matters concerning our business and operations till the listing and commencement of trading of the Equity Shares.***

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment limit is allowed up to 100% under automatic route in our Company.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

***The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.***

## **SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

### **MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

#### **SHARE CAPITAL**

##### **Share Capital**

4. The authorized share capital of the Company is Rs. 400,000,000/- (Rupees Four Hundred Million only) divided into 40,000,000 (Four Million) Equity Shares of Rs. 10/- (Rupees Ten only) each with rights.
5. The Company is authorized to issue shares with differential right as to dividend, voting or otherwise in accordance with Companies (Issue of Share Capital with Differential Voting Rights) Rules.

#### **Share Capital under the control of the Directors**

6. Subject to the provisions of section 81 of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par (Subject to compliance with the provisions of Section 78 of the Act) or at a discount (subject to compliance with the provisions of Section 79 of the Act) and at such times as they may think fit and proper, and with the sanction of the Company in General Meeting to give to any person or persons the option or right to call for any shares consideration as the Directors think fit, and may issue and allot shares in the Capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

#### **Redeemable Preference Share**

7. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares carrying a right of redemption or liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of the Act and if these Articles, exercise such power in any manner prescribed by the resolution authorizing the issue of such shares.

#### **Cumulative Convertible Preference Shares**

8. The Company may, subject to the provisions to the said Act, issue Cumulative convertible Preference Shares and may convert such Cumulative Convertible Preference Shares into Equity Shares of the Company on such terms and conditions as the Board may deem fit.

#### **Increase of Capital**

9. The Company may, by Ordinary Resolution in General Meeting, increase the authorized share capital by the creation of new shares of such amount and to be divided into shares of such respective amounts, as the resolutions shall prescribe. Subject to the provisions of the Act and these Articles, the new shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto, and in particular, with such preferential or qualified right to dividends and in the distribution of assets of the Company, as the resolution shall provide and if no direction is given by such resolution as may be determined by the Board.

#### **Further Issue of Share Capital:**

10. 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 by the Company to issue any new or additional shares, whether out of unissued share capital or out of



increased share capital then:

- (a) Such further shares shall be offered to the Members who, on 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 those shares at that date.
  - (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, shall be deemed to have not been declined.
  - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub – clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.
  - (d) After expiry of the time specified in the aforesaid notice 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 of Directors may dispose of them in such manner and to such person (s) as they may think, in their sole discretion, fit.
11. Notwithstanding anything contained in clause (9) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of clause (9) hereof in any manner whatsoever.
- (i) If a special resolution to that effect is passed by the company in General Meeting, 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 the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person or proxy, exceeds 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.
12. Nothing in clause (c) of (9) hereof shall be deemed;
- (i) To extend the time within which the offer should be accepted; or
  - (ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
13. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:
- (i) To convert such debentures or loans into shares in the Company; or
  - (ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (i) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
- (ii) In this case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.
- (iii) Subject to the provisions of the Act, the Company may issue shares with differential voting rights as to dividend, voting or otherwise.

#### **New shares to rank equally with existing shares**

14. Except as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalment, transfer and transmission, forfeiture, surrender, lien, voting and otherwise

### **Reduction of capital**

15. The Company may, from time to time and subject to the provisions of Section 78 and Section 100 to 105 (inclusive) of the Act and of these Articles, by Special Resolution, reduce its share capital and any capital and any capital redemption, reserve fund account or share premium account in any manner for the time being authorized by law, and, in particular, the capital may be paid off on the footing that it may be called up again or otherwise, This Article shall not derogate from any power that the Company may otherwise have under the provision of the Act.

### **Subdivision, consolidation and cancellation of shares**

16. The Company in General Meeting may alter the conditions of its Articles for the following purposes:
  - a. To consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - b. To subdivide the existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association and these Articles, subject to the provisions of Act, and
  - c. To cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person.

### **Rights on subdivision of preference shares**

17. Where any share capital is subdivided, the Company in General Meeting, may subject to the provisions of Section 85, 87 and 106 of the Act, determine that as between the holders of the shares resulting from such subdivision, the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the reduces share from which it was derived.

### **Modification of rights**

18. If at any time the share capital is divided into different classes, the rights and privileges attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 106 and 107 of the Act, be modified or varied with the consent in writing of the holders of note less than three-fourth in nominal value of the issued shares of that class, or as sanctioned by a resolution passed at a separate meeting of the holders of share of that class and supported by the votes of the holders of not less than three-fourth in nominal value of the issued shares of the class. Mutatis mutandis, to representing proxy at least one-third of the issued equity shares of the class.

## **SHARES AND SHARE CERTIFICATES**

### **Return of allotments**

19. The Company shall comply with the provision of the Act regarding allotment of its shares.

### **Board may accept surrender of shares**

20. Subject to the provision of Section 100 to 104 of the Act, the Board may accept from any Member on such terms and conditions as may be agreed, as surrender of all or any of the shares held by the Members.

### **Call on shares to be uniform basis**

21. Subject to any conditions imposed upon the issue of shares pursuant to these Articles, where any calls for further share capital are made on shares, such calls shall be made on a inform basis on all shares, falling under the same class. For the purpose of these provisions shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class

### **Payment of calls**

22. If, by the conditions of allotment of any share, the whole or part of the issue price thereof is payable by instalments

every such instalment shall, when due, be paid to the Company by the person who for the time being is the registered holder of the share or his legal representative.

#### **Company not to purchase its shares**

23. Except as permitted by Section 77 of the Act, no funds of the Company shall be employed directly or indirectly for the purchase of any shares of the Company and the Company shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company
24. The Company may, by special resolution, purchase its own securities or other securities, subject to such limits and on such terms and conditions specified under Section 77 A and other applicable provisions of the Act and rules or regulations framed there under.

#### **Trusts not recognized**

25. The Company shall be entitled to treat the Member registered in respect of any share as the absolute owner thereof and shall not recognize the holding of any share upon trust or any equitable claim or interest in any such share on the part of any other person except as otherwise provided in these Articles or as required by law or when ordered by court of competent jurisdiction.

#### **Membership of Company**

26. An Application for share in the Company, signed by or on behalf of an applicant, followed by an allotment of shares shall constitute an acceptance of shares for purposes of these Articles, and every person who thus or otherwise accepts any shares and whose name appears on the Register of Members shall for the purpose of these Articles be a Member.

#### **Liability of Members**

27. Every Member or his heirs, executors or administrators shall pay to the Company the proportion of the capital represented by his share or shares, which may for the time being remain unpaid thereon in such amount, at all such time or times and in such manner as the Board of Directors shall from time to time determine in accordance with these Articles.

#### **Joint Ownership**

28. Unless otherwise determined by the Board, not more than two persons shall be registered jointly as Members in respect of any shares.
29. The Share Certificate(s) in respect of Shares jointly owned and any dividend, interest or other monies payable in respect of such shares (including all notices in respect thereof) shall be sent to the first holders of the shares.

#### **Sums payable in respect of shares**

30. The sum which the Board shall require or direct to be paid by way of call or otherwise, in respect of the allotment of any shares shall immediately on the insertion of the name of the allottee in the Register of Members become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by the allottee accordingly.

#### **Right to Share Certificates**

31. Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fees as the Board may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in

respect of which it is issued and amount paid –up thereon and shall be in such from as the Board may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be borne to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.

#### **Duplicate Share Certificate**

32. The Certificates of title to shares and duplicates thereof shall be issued under the Seal of the Company and signed by two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney, and the Secretary of the Company or such other person appointed by the Board for the purpose, provided that at least one of the aforesaid two Directors shall be a person other than a managing or whole-time Directors. 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.

*\* Substituted by a new Article 32 pursuant to the special resolution passed at the Extra ordinary General Meeting of the company held on 25<sup>th</sup> June 2007*

#### **Issue of New Certificate in place of one Defaced, Lost or Destroyed:**

33. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificates under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 1/- for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Board shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

#### **Endorsement on Certificate**

34. Every endorsement upon the certificate of any share in favour of any transferee thereof shall be signed by such person for the time being authorised by the Directors in that behalf.

#### **Certificates regarding jointly owned shares**

35. The Company shall not be bound to issue more than one certificate in respect of any share jointly held be several Members and delivery of a share certificate to one of the several joint holders shall be sufficient delivery to all such Members and unless otherwise required, shall be delivered to the Members whose name appears first in the Register.

#### **Issue of new certificates on subdivision and consolidation**

36. If any certificate of any share or shares be surrendered to the Company for subdivision or consolidation or if any certificate be defaced torn, decrepit or worn out, then upon surrender thereof to the Company, and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Directors may order such certificate to be cancelled and issue a new certificate in lieu thereof to the registered holder of such shares. For every certificate issued under this Article, there shall be paid to the Company a fee not exceeding such amount as the Board may prescribe from time to time. The Company may also, on any issue of shares or debentures pay such brokerage as may be lawful.

## **DEMATERIALIZATION OF SECURITIES**

37. (B) Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificate in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and the matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereof or re-enactment thereof.

(C) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a Depository.

If a person opts to hold his security with a Depository, the Company shall intimate such Depository of the details of allotment of the Security and on receipt of the information, the Depository shall enter in its records the name of the allottee as the Beneficial Owner of the security.

(D) All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owner.

(E) (i) Notwithstanding anything to the contrary contained in the Depositories Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership on behalf of the beneficial owner.

(ii) Save as otherwise provided in (i) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it.

(iii) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.

(F) Except as ordered by any Court of competent jurisdiction or as required by any law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound, to recognized any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereof in accordance with these Articles on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

(G) Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such interval and in such manner as may be specified by the bye-laws and the Company in that behalf.

(H) Upon receipt of certificates of securities on surrender by a person who has entered into an agreement with the Depository through a Participant the Company shall cancel such certificates and shall also inform the Depository accordingly

(I) If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly.

The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the

Company.

The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfilment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee, as the case may be.

- (J) Notwithstanding anything in the Act, or these Articles, to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- (K) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares in physical form subject to the provisions of the Depository Act.
- (L) Notwithstanding anything in the Act, or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- (M) The shares in the capital shall be numbered progressively according to their several denominations provided, however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form except in the manner hereinabove mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.
- (N) The Company shall cause to keep a Register and Index of Members and Register and Index of Debenture holders in accordance with Section 151 and 152 of the Act, respectively, and the Depositories Act, with details of shares and debentures held, material and dematerialized forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country.
- (O) The Company shall keep a Register of Transfer and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

## **CALLS**

### **Calls**

38. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the sanction of the members in a general meeting and to the provisions of Section 91 of the Act, make such calls as they think fit upon the Members in respect of any money unpaid on the shares held by them. A call may be made payable by instalment and may be revoked or postponed as the Board may determine.

### **Date of call**

39. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed and may be made payable by the Members on a subsequent date to be specified by the Directors.

### **Notice of call**

40. Not less than 30 days' notice shall be given in respect of any call and the notice shall specify the place and the time of payment, the amount called on the shares and the person to which such sum shall be paid.

### **Extension of time for making the payment of call**

41. The Board may, from time to time, at discretion, extend the time fixed for the payment of any call, and may extend such time as to all payments of any call for any of the Member/Debenture holder shall be entitled to such extension save as a matter of grace and favour.

**Interest payable on call or instalment**

42. If any Member/Debenture holder fails to pay any call due from him on the date appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest at such rate not exceeding twelve per cent per annum 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.
43. The Board shall be at liberty to waive payment of any such interest wholly or in part.

**Suit for recovery of calls**

44. On the trial or hearing of any action or suit brought by the Company against any member or their representative to recover any money due to the Company in respect of their share, it shall be sufficient to show:
- a. That the name of the defendant is, or was, when the claim arose, in the Register as a holder or one of the several holders of the shares in respect of which such claim is made,
  - b. That the amount claimed is not entered as paid in the books of the Company, that the resolution making the call is duly recorded in the minute Book, and it shall not be necessary to prove the appointment of the Board who made such call, nor that a quorum was present at the Board Meeting at which any call was made, that the meeting at which any call made was duly convened or constituted, nor any other matter whatsoever, but the proof of matters aforesaid shall be conclusive evidence of the debt.

**Payment in Anticipation of call may carry interest:**

45. The Board may, if they think fit, subject to the provisions of section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

**Liability of joint holder**

46. The Joint holder of a share shall severally, as well as jointly, be liable for the payment of all instalments and calls due in respect thereof.

**Money due to members from the company may be applied in payment of call or instalment**

47. Any money due from the company to a member may, without the consent and notwithstanding the objection of such member, be applied by the company in or towards the payment of any money due from him to the Company for calls or otherwise.

**Sums deemed to be calls**

48. Any sum which, by the terms of issue of shares becomes payable on allotment or at fixed date whether on account of the nominal value of the shares or by way of premium, shall for the purpose of these Articles be deemed to be a call duly made and payable on or before the day fixed for the payment of the same. In case of non-payment of any such sum

all the relevant provisions of these Articles shall apply as to payment of interest, expenses, forfeiture, or otherwise as if such sum had become payable by virtue of a call duly made and notified.

## **FORFEITURE AND LIEN**

### **Notice for payment of call**

49. If any Member or their legal representative as the case may be fails to pay any call or instalment of a call or any money due in respect of any shares on or before the day appointed for the payment thereof, the Board may at any time thereafter, while the call, instalment or other money remains unpaid, serve a notice on such Member or their legal representative as the case may be requiring them to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.

### **Form of notice**

50. The notice shall name a day (not earlier than the expiration of 14 days from the date of notice) and a place on which such call, instalment or money due and interest there on at such rate as the Board may determine from the date on which such call or instalment or money due ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the appointed time and place, the share in respect of which the call was made will be liable to be forfeited.

### **Share to be forfeited in case of default**

51. If the requirement of any such notice is not complied with, any share in respect of which the notice has been given may at any time thereafter be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares, and not actually paid before the forfeiture.

### **Notice of forfeiture to Member**

52. 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 invalid by any omission or neglect to give such notice or to make such entry as aforesaid.

### **Forfeited share to become property of the Company.**

53. Any share so forfeited shall thereupon become 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 may think fit. Upon any sale, re-allotment or other disposal, the certificates stand cancelled and Directors shall be entitled to issue duplicate certificates in respect of the said shares to the person entitled thereto.

### **Power to annul forfeiture**

54. Until any shares so forfeited shall be sold, re-allotted or otherwise dealt with as aforesaid, the forfeiture thereof may, at discretion and by a resolution of the Board, be remitted as a matter of grace and favour, and not as of right, on payment of the monies owing thereon to the Company at the time of forfeiture thereof with interest up to the time of actual payment thereof if the Board shall think fit to receive the same, or on any other terms which the Board may deem fit.

### **Member's liability after forfeiture**

55. Any Member whose shares have been forfeited shall, notwithstanding, be liable to pay the Company all calls, instalments, interest expenses or other monies owing upon or in respect of such shares on the date of forfeiture together with interest thereon from the date of forfeiture until payment, not exceeding twelve per cent as the Board may determine.



#### **Title of purchaser and allottee for forfeited shares:**

56. The Company may receive the consideration, if any, given for the share on any sales, re-allotment or other disposition thereof, and the person to whom such share is re-allotted or disposed of may be registered as the holder of the share and shall not be bound to see the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.

#### **Effect of forfeiture**

57. The Forfeiture of a share shall involve the extinction of all interest in, and of all claims and demands against the Company in respect of the forfeited share, and all other right incidental to the share, except only such rights as are expressly provided by these Articles.

#### **Evidence of forfeiture**

58. A duly verified declaration in writing that the declarant is a Director or any other person authorised for the purpose by the Board, and that certain share in the Company have been duly forfeited 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 and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title too such shares and the purchaser shall not be bound to see to the application of the purchase money, nor shall such purchaser's title to such shares be affected any irregularity in the proceedings in reference to such forfeiture, sale, re-allotment or other disposition of the share

#### **Company's lien on shares**

59. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any shares shall be created except upon the footing and condition that this Article shall have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Provided that, the Board may at any time, declare any share / debenture to be wholly or in part to be exempt from the provisions of this clause.

#### **Enforcing lien**

60. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they may think fit, but no sale shall be made unless a sum in respect of which the lien exists is presently payable and notice in writing of the intention to sell the shares shall have been served on such Member, or such Member's heirs, executors or administrators, or committee, or other legal representatives, as the case may be, and default shall have been made by them or such Member in the payment of the sum payable in respect of any forfeited shares. For the purpose of such sale, the Board may cause to be issued a duplicate certificate in respect of such shares and may authorize one if their number to execute a transfer thereof on behalf of and in the name of the Member.
61. The net proceeds of any such sale (after deduction of the cost of such sale) shall be applied towards satisfaction of the amount in respect of which the lien exists and the residue, if any, shall be paid to the person entitled to the shares on the date of the sale.

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or by statute required) be bound to recognize equitable or other claim to, or interest in, such shares or debenture on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims

#### **Validity of sale**

62. 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 of Members in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceeding or to the application of the purchase money, and after such purchaser's name has been entered in the Register of Members 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 not be damages only and solely against the Company. Where any shares are sold according to the provisions herein contained and the certificate thereof has not been delivered up to the Company by the former holder of said shares, the Board may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

## **TRANSFER AND TRANSMISSION OF SHARES**

### **Board may refuse to register transfers**

63. Subject to the provision of Section 111 of the Act and Section 22 A of the Securities Contract (Regulation) Act, 1956, and the Listing Agreement the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

### **Transfer Register**

64. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

### **Form of Transfer etc**

65. The instrument of transfer of any share shall be in writing in the prescribed form and all the provisions of Section 108 of the Act shall be duly complied, with in respect of all transfer of shares and registration thereof.
66. No fee shall be charged for registration of the transfer or transmission, probate, succession certificate and Letter of administration, certificate of Death or Marriage, Power of Attorney or similar other document.
67. Every instrument of transfer shall be executed both by the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
68. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by the certificate or certificates of the share or shares proposed to be transferred or such evidence as the Board may required to prove the title of the transferor. The transferor's right to transfer the shares, and generally under and subject to such conditions and regulations as the Board may from time to time prescribe and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
69. No share shall under any circumstances be transferred to a minor, insolvent or person of unsound mind.
70. Where in the case of partly paid share, an application for registration of transfer of shares 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.

### **Registration of Transfer:**

71. Every instrument of transfer duly executed and stamped accompanied by the Share Certificate be delivered to the Company for registration and such other evidence as the Directors may require to prove the title of the Transferor or his

right to transfer the shares. The Directors may waive the production of any certificate upon evidence satisfactory to them of its loss or destruction or under such other circumstances as the director in their discretion think fit.

**Closure of transfer books:**

72. The company may close the Register of Members or the Register of Debenture holders for periods not exceeding in the aggregate forty five days in each year but not exceeding thirty days at any one time.

**Death of joint holder of share**

73. In case of the death of any one or more of the persons named in the Register of Members as the joint holder of any share, the first holder or survivor shall be the only person recognized 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 held by such joint holder jointly with any other person.

**Title to share of deceased Member**

74. The executors or administrators or holders of a Succession Certificate or the legal representative in respect of the shares of a deceased Member not being one of two or more joint holder shall be the only person recognized 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 recognize such executors, or administrators or legal representative 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 Letter of Administration or Succession Certificate, upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and register any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member, as a Member.

**Transmission of Shares**

75. Any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy, insolvency, dissolution, winding up or liquidation of any Member or by any lawful means other than by a transfer in accordance with these Articles shall be required to transfer his shares in accordance with the provisions of these Articles.

**Right to receive dividends**

76. Subject to the right of the Board to retain such dividends or money as hereinafter provided, a person entitled to a share by transmission shall be entitled to receive, and may give a discharge for any dividends or other monies payable in respect of the share.

**Notice prohibiting registration of an transfer**

77. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of 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 persons having or claiming any equitable right, title or interest to or in the same shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and the Company shall not be bound or required to 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 neglecting to do so although it may have been entered to in any book of the Company.

**Refusal to transmit or Register nominee:**

78. The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as they would have as if such person or nominee were a transferee named in the ordinary transfer. The directors shall not be bound to register a transmission unless the intimation of such transmission has been delivered to the company under a proper transmission form duly executed by the person entitled by the transmission and specifying the name, address and occupation, if any, of such person along with the relative share certificates or letter of allotment,

as the case may be. All the limitations and provisions of these articles relating to the right to transfer and the registration of transfer of shares shall be applicable to any such application for transmission.

**Director may require evidence of transmission:**

79. Every transmission of a share shall be verified in such manner as the director may require and directors may refuse to register the transmission until the same be so verified or until or unless an indemnity be given to the company with regard to such registration which the director in their discretion shall considered sufficient; provided nevertheless that there shall not be any obligation on the director to accept an indemnity.

**Joint Holders of Shares:**

80. Where two or more persons are registered as the holders of any shares they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to the provisions contained in these Articles:
- (a) The Company shall be entitled to decline to register more than four persons as the joint holders of any shares.
  - (b) The joint holders shall be liable severally as well as jointly for and in respect of all the calls or instalments and other payments which ought to be made in respect of such shares.
  - (c) On the death of any one or more of such joint holders the survivor or survivors shall be the only persons or persons recognised by the company as having title to the shares but the directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holders from any liability on shares held by him jointly with any other person.
  - (d) Any one of such joint holders may give effectual receipts for any dividends or other moneys payable in respect of such shares.
  - (e) Only the persons whose name stands first in the Register of Members as one of the joint holders of any shares shall be entitled to delivery of the certificate relating to such shares or to receive notices from the company and any notice given to such person shall be deemed to be a notice to all the joint holders.

**BORROWING POWERS**

**Power to borrow**

81. Subject to the provisions of Section 292 and 293 of the Act and these Articles, the Board may, from time to time, at their 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 monies for the purposes of the company, not exceeding the aggregate of the paid-up-capital of the Company and its free reserves set apart for any specific purpose, provided however, where the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's lender in the ordinary course of business) exceed the aforesaid aggregate, the Board shall not borrow such monies without the consent of the Company by Ordinary Resolution in General Meeting. The payment or repayment of any monies borrowed may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and, in particular, by the issue of bonds or debentures of the Company, or any mortgage, charge, or other security on all or any part of the undertaking or property of the Company (both present and future).

**Conditions for borrowing**

82. The Board may, by a resolution passes at the meeting of the Board, raise or secure the payment or repayment of any monies borrowed in such manner and upon such terms and conditions in all respects as they think fit and, in particular, by the issue of bonds, or debentures of the company or any mortgage, charge or other security on all or any part of the undertaking or property of the Company (both present and future) including its uncalled capital for the time being.

**Issue of debentures at discount**

83. Any debenture, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be

issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, and otherwise debentures with right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a special resolution.

#### **Interest out of Capital:**

84. Where any shares are issued for the purposes of raising money to defray the expenses of the construction of any works or buildings or the provisions of any plant which cannot be made possible for a lengthy period, the Company may pay interest on so much of that Share Capital as is for the time being paid up for the period and subject to the conditions and restrictions provided by section 208 of the said Act, and may charge the same to capital as part of the cost of construction of the work of building or the provision of the plant.

#### **GENERAL MEETING**

##### **Annual General Meetings**

85. The Company shall, in addition to any other meetings in each year, hold a General Meeting as its Annual General Meeting in accordance with the provisions of Section 166 of the Act, at such time and place as may be determined by the Board, and shall specify the meeting as such in the notice concerning the same. All General Meeting other than the Annual General Meetings shall be called the Extraordinary General Meeting.

##### **Extraordinary General Meetings**

86. The Board may, whenever they think fit, call an Extraordinary General Meeting at such time and at such place as they may determine.

##### **Calling of Extraordinary General Meeting**

87. The Board shall, on the requisition of such number of Members as is specified in sub-section (4) of Section 169 of the Act, forthwith proceed to call an Extraordinary General Meeting of the Company, and the provisions of Section 169 of the Act shall apply to any such requisition or to any meeting called pursuant thereto.

##### **Notice of General Meetings**

88. A General Meeting of the Company may be convened by giving not less than 21 days notice in writing. A General Meeting may be convened by giving shorter notice with the consent in writing of each Shareholder or as permitted by the Act.
89. 1. Notice of every General Meeting shall be given, in the case of any Member incorporated outside India, by registered post, courier delivery and fax transmission to the address and facsimile number last provided to the Company for such purpose. The notice shall be exclusive of the day on which it is given and the day on which the meeting as aforesaid is held. The provisions of section 53(2) of the Act shall not apply to a Member incorporated outside India. Notices to other Members and to the Auditors for time being of the Company shall be given by post or personal delivery.
- 89.2. Notice may be given to members by advertisement in a newspaper in accordance with the provisions of the Act. If notice is given to the members by advertisement in a newspaper, it will be advertised in at least one leading Mumbai daily newspaper.”

##### **Contents of notice**

90. Every notice of a General Meeting shall specify the place, date and time of the meeting and the proposed form of the resolutions to be passed. Where any business to be transacted at the meeting consists of “special business” as defined hereunder, there shall be annexed to the notice of the meeting an explanatory statement setting out all material facts concerning such items of business as provided in section 173(2) and (3) of the Act.

### **Special business**

91. All business to be transaction at an Annual General Meeting shall be deemed to be special with the exception of business:
- a. Relating to the consideration of Accounts, Balance Sheet and Profit and Loss Statement, and the Reports of the Board and the Auditors.
  - b. declaration of dividend
  - c. appointment of Directors in place of those retiring
  - d. appointment and fixation of remuneration of Directors

In the case of any other meeting, all business shall be deemed special and there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of special business, including, in particular, the nature of the concern or interest, if any, therein of every Director and the Manager, if any.

### **PROCEEDINGS AT GENERAL MEETINGS**

#### **Quorum**

92. Five members personally present shall be the quorum for a meeting of the company
93. A body corporate, being a Member, shall be deemed to be personally present it represented in accordance with Section 187 of the Act.

#### **Resolutions at Meeting**

94. All resolutions of Members shall, except as otherwise required by the Act or these Articles and without prejudice to any legal requirement for Board approval of any resolutions to be put to Members, be passed by a simple majority of the votes cast.

#### **Chairman**

95. The Chairman of the Board shall be entitled to take the chair at every General Meeting, or if there be no such Chairman, or if at any meeting the chairman of the Board is not present within 15 minutes after the time appointed for holding such meeting, or is unwilling to take the chair, the Directors present may choose one of their number to be the Chairman and if no Director be present, or if all the Directors present decline to take the chair, then the Members present shall choose one of their number to be the Chairman. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

#### **Meeting to be adjourned**

96. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall stand dissolved but, in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or to such other day, time and place as the Board may determine, and if at such adjourned meeting, a quorum is not present within half an hour from the time appointed for holding the meeting, those Members who are personally present shall constitute a quorum and may transact the business for which the meeting was called.

#### **Votes by show of hands**

97. Every question submitted to a General Meeting shall be decide in the first instance by a show of hands. Members present personally or representative of a Member company or a body corporate appointed under the provisions of these Articles shall alone be entitled to vote on a show of hands.

### **Chairman's declaration to be conclusive**

98. A declaration by the Chairman that on a show of hands a resolution has or has not been, passes either unanimously or by a particular majority, and an entry made to that effect in the Minutes Book of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

### **Demand for Poll**

99. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of the Chairman's own motion, and shall be ordered to be taken by the Chairman on a demand made in that behalf:
- a. at least five members having the right to vote on the resolution and present in person or by proxy, or
  - b. by any Member or Members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution, or
  - c. by any Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote on a resolution, being shares on which an aggregate sum of Rs. 50,000 or more has been paid up.

### **Taking of Poll**

100. If a poll is demanded on a question of adjournment or election of a Chairman, the poll shall be taken forthwith. A poll demanded on any other question shall be taken at such time, not being later than 48 hours from the time when the demand was made, and in such manner and at such place as the Chairman of the meeting may direct.
101. The demanded for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which a poll has been demanded
102. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinisers to scrutinize the vote given on the poll and to report thereon to the Chairman of the meeting, at least one of whom shall be a Member (not being an officer or an employee of the Company) present at the meeting, provided that such Member is willing to scrutinize the votes.

### **Right of member to use votes differently**

103. On a poll taken at a meeting of the company, a Member entitled to more than one vote or that Member's proxy or other person entitled to vote for him as the case may be, need not, if such Member vote, use or cast all his votes in the same way.

### **Power to adjourn General Meeting**

104. The Chairman, with the consent of the Members at any General Meeting, may adjourn the same, from time to time and from place to place in the city in which the Office of the Company is situated. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Except as aforesaid, it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **Notice of Adjourned Meeting**

105. If a General Meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in case of an original meeting.

### **Passing of Resolutions**

106. Any act or resolution, which under these Articles or the Act is permitted or required to be done or passes by the Company in General Meeting, shall be sufficiently done or passed if effected by an Ordinary Resolution as defined in Section 189(1) of the Act unless either the Act or the Articles specifically require such act or resolution to be done or passed by Special Resolution as defined in Section 189(2) of the Act.

### **Resolutions passed at adjourned meetings.**

107. Where a resolution is passed at an adjourned meeting of the Company or by the holders of any class of shares in the Company, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

### **Minutes of General Meeting and inspection of Minute Book**

108. The Company shall cause minutes of proceeding of General Meeting to be entered in a Minute Book, and the minutes shall contain and include the matters specified in Section 193 of the Act. No report of the proceeding of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it contains the matters required by Section 193 of the Act.

The Minutes Book shall be kept at the Office and shall be open to inspection of any Member without charge as provided in Section 196 of the Act and the Members shall be furnished with a copy of any Minutes in accordance with the provisions of that Section.

### **VOTES OF MEMBERS**

#### **Votes by Members**

109. Subject to the provisions of the Act, votes may be given by Members either personally or by proxy or in the case of a Member company or body corporate, by a representative duly appointed under Section 187 of the Act and Articles 97 of these Articles.

#### **No right to vote unless calls are paid up**

110. 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 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 of lien.

#### **Voting rights**

111. Save as hereinafter provided, on a show of hands every Member present in person and being a holder of equity shares, shall have one vote on every resolution or question placed before the meeting and on a poll that Member's share of the paid-up equity capital of the Company.
112. No Member of the Company holding any preference share capital shall be entitled to vote at General Meeting of the Company except as provided by Section 87(2) of the Act.
113. Where the Company accepts from a Member all or any part of the money due in respect of the shares held by that Member beyond the sums actually called for, the Member shall not be entitled to any voting in respect of the monies so paid.

#### **Vote by Member Companies**

114. Any company or body corporate which is Member of the Company (hereinafter referred to as a Member Company) shall be entitled, through a resolution of its Board of Directors; to authorize such person as it thinks fit to act as its representative at any meeting of the company held in pursuance of the Act. A representative duly appointed and authorized as aforesaid shall be entitled to exercise the same rights and powers, including the right to vote by proxy, which such Member Company could exercise if it were an individual Member of the Company.



### **Votes in respect of share of deceased Members**

115. Any person entitled to transfer any shares by virtue of transmission of may vote at a General Meeting in respect thereof in the same manner as if they were the registered holder of such shares, provided that at least 48 hours before the time of holding the meeting at which he proposes to vote, he satisfies the Board or any person authorized by the Board in that behalf of his right to such shares and furnishes such indemnity as the Board may require.

### **Votes by Joint Holders**

116. Where there are joint registered holders of any given share, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if that person was solely entitled thereto; and if more than one of such joint holders be present at any meeting, personally or by proxy, that one of the said persons so present whose name stands first in the Register in respect of such share shall alone be entitled to vote or speak in respect thereof.

### **Vote by proxy**

117. On a poll votes may be given either personally or by proxy, or, in the case of a Member Company by a representative duly authorized as aforesaid. Every notice convening a meeting of the Company shall state that a Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of the Member and that a proxy need not be a Member of the Company.

### **Instrument appointing a proxy**

118. 1. Subject to the provisions of the Act, the instrument appointing a proxy shall be in writing under the hand of the appointee or of his Attorney duly authorized in writing or, if such appointer is a corporation, under its common seal or the hand of its officer or an attorney duly authorized by it, a person may be appointed a proxy though he is not a Member of the Company. A proxy appointed, as aforesaid, shall not have any right to speak at any meeting.
118. 2. The Company will send out proxy forms to members and debenture-holders in all cases, and such proxy forms shall be so worded that each Member or Debenture-holder may vote either for or against each resolution.

### **Instrument to be deposited at the Office**

119. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a naturally certified copy of that power of authority shall be deposited at the Office not less than 48 hours before the time of holding the meeting at which the person named in the instrument proposes to vote, and in default, the instrument of proxy shall be treated as invalid, The proxy shall be in the form set out in Schedule IX of the Act.

### **Vote valid though authority revoked**

120. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the appointer, or revocation of the proxy, or any power or authority under which such proxy is signed or a transfer of the shares in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation, or transfer shall have been received at the Office of the Company before the commencement of the meeting at which the proxy is used or vote is given.

### **Inspection of proxies**

121. Every Member entitled to vote at a meeting of the Company on any resolution to be moved there at, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Company provided not less than three days' notice in writing of the inspect the proxies given to the Company.

### **Objections regarding validity of votes**

122. No objection shall be made as to validity of any vote on a show of hands or on a poll except at the meeting at which

such vote shall be tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting, shall be deemed valid for all purposes.

#### **Determination by Chairman to be conclusive**

123. The Chairman of a Meeting shall be the sole judge of the validity of every vote tendered on a show of hands or on poll. The Chairman shall forthwith determine the same and such determination made in good faith shall be final and conclusive.

#### **BOARD OF DIRECTORS**

##### **Number of Directors**

124. Subject to the provisions of Section 252 of the Act, the Company shall have at least three Directors subject to a maximum of twelve directors. The composition of the Board of Directors shall also be in accordance with the provisions of the Listing Agreement.

##### **Election of Directors**

125. Not less than two-thirds of the total number of Directors shall be elected by the Company in General Meeting and shall, save provided in the Act, be liable to retire by rotation. A retiring Director may be re-appointed.

##### **Debenture Director**

126. If it is provided by any 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 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 persons or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be liable to retire by rotation.

##### **Special Director**

127. If at any time the Company obtains any loan from any Financial Institution(s) and/or Bank(s) and/or State Government (hereinafter referred to in this article as the Corporation) or enters into underwriting arrangements with the corporation and it is a term of such loan or of the underwriting arrangements, the corporation shall have the right to appoint one or more Directors then, subject to the terms and conditions of such loans or underwriting arrangements, to appoint one or more Directors of the company and to remove from office any Director, so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be signed by the Corporation or by any person duly authorised by it and shall be served at the office of the company. The director or directors so appointed shall not be liable to retire by rotation of directors in accordance with the provisions of these articles.

##### **Casual Vacancies**

128. Subject to the provisions of section 260 and 264 of the Act the Board of Directors shall have the power to fill in a casual vacancy in the office of any Director. The Director to be appointed in the casual vacancy shall hold office till the date the original Director in whose place he has been appointed would have held office.

##### **Share qualification**

129. A Director shall not be required to hold any shares in the capital of the Company to qualify for office.

### **Director's fees etc.**

130. Subject to the provisions of the Act, each Director other than a whole-time Director shall be entitled to receive out of the funds of the Company for their services, fees as may be determined by the Board, for each meeting of the Board or committee thereof attended by a Director. In addition, the Board may allow to be paid to any Director who is not a resident of the place where the office of the Company is situated or where the meeting of the Board is ordinarily held and shall come to such place for the purpose of attending a meeting of the Board, such sum as the Board may consider reasonable for travelling, boarding and other expenses.

### **Directors may act notwithstanding vacancy**

131. The continuing Directors may at notwithstanding any vacancy in their body, but if the number of Directors falls below the quorum fixed by these Articles, the continuing Directors, may act only for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company, but for no other purpose.

### **Place of Profit under the Company**

132. No Director or other person referred to in Section 314 of the Act shall hold an office or place of profit under the Company except as permitted by that Section.

### **Disclosure of Director's interest**

133. Every Director, who is in any way, whether directly or indirectly, concerned or interested (whether personally or where the Shareholder nominating such director is an interested party) in a contract or arrangement entered into, by or on behalf of the Company, shall disclose the name of their concern or interest at a meeting of the Board as required by Section 299 of the Act.

### **Director may become director of other companies**

134. A Director may become a director of any company promoted by this Company, or in which this Company may be interested as a promoter, shareholder or otherwise; and subject to the provisions of Section 314 of the Act, no such Director shall be accountable for any benefits received as a director or shareholder of such Company.

### **Interested Director not to vote**

135. No Director shall, as a Director, take part in the discussion of, vote or participate on any contract or arrangement in which such Director is in any way, whether directly or indirectly, concerned or interested (whether personally or by the Shareholder nominating such Director being an interested party), nor shall that Director's presence count for the purpose of constituting a quorum except as otherwise provided in Section 300 of the Act.

### **Vacation of Office**

136. The office of a Director shall become vacant if:
- a. that Director is found to be of unsound mind by a court of competent jurisdiction;
  - b. that Director applies to be adjudicated as insolvent;
  - c. that Director is adjudged an insolvent;
  - d. that Director is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;
  - e. that Director fails to pay any call in respect of shares of the Company held by that Director, whether alone or jointly with others, within six months from the last date fixed for payment of the call unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure;
  - f. that Director is absent from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;
  - g. that Director acts in contravention of Section 295 or Section 299;
  - h. that Director become disqualified by an order of court under Section 203; or

- i. *\* Deleted pursuant to the special resolution passed at the Extra ordinary General Meeting of the company held on 25<sup>th</sup> June 2007;*
- j. having been appointed as a Director by virtue of holding any office or other employment in the Company, that Director ceases to hold such office or other employment in the Company.

#### **Appointment of Alternate Director**

137. The Board of the Company may appoint an Alternate Director to act a Director in place of a Director (hereinafter called “the Original Director”) during the Original Director’s absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Such appointee, while holding office of an Alternate Director, shall be entitled to notice of meetings of the Board and to attend and vote thereat. An Alternate Director shall not hold office as such for a period longer than that permissible to the Original Director in whose place such Alternate Director has been appointed and shall automatically vacate office if and when the Original Director returns to the said State, in which the meetings of the Board are ordinarily held. If the term of office of the Original Director expires before the Original Director returns to the said State, any provision in these Articles or the Act for the automatic reappointment of a retiring Director shall apply to the original Director and not to the Alternate Director

#### **Appointment of Additional Directors**

138. Subject to the provisions of the Act and these Articles, the Board shall have the power, from time to time, to appoint an individual as an Additional Director, but so that the total number of Directors shall not, at any time exceed the maximum strength, is any, fixed for the Board by the Articles, such Additional Director shall hold office up to the date of next Annual General Meeting of the Company, but shall be eligible for election at that meeting as a Director.

#### **Removal of Directors**

139. The Company may, subject to the provisions of Section 284 of the Act, remove any Director before the expiration of his term of office. The general meeting, at which any such Director is removed, may appoint a person in his stead for the remainder of the term of the Director who has been so removed.

#### **Notice of candidature of Director**

- 140. (a) An individual shall not be eligible for election as a Director unless that individual or some other Member intending to propose that individual gives notice in writing to the Company in accordance with the provisions of the Act.
- (b) The Company shall inform its Members of the candidature of a person for the office of a Director or the intention of a Member to propose such person as a candidate for that office, by serving individual notices on the Members not less than seven days before the Meeting.  
Provided that it shall not be necessary for the Company be serve individual notices upon the Members as aforesaid, if the Company advertises such candidature or intention, not less than seven days before the Meeting, in at least two newspapers circulating in the place where the Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.
- (c) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company, a notice under section 257 of the Act signifying his candidature for the office of Directors) proposes as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.

### **PROCEEDINGS OF THE BOARD OF DIRECTORS**

#### **Meetings of Directors**

141. The Board shall meet at least once in every three months, and at least four such meetings shall be held in every year. The Board shall further hold meetings as often as may be necessary for the due dispatch of its business and upon the written request of any one Director. The Directors may meet at any place for the dispatch of the business of the Board, adjourn and otherwise regulate their meetings as they deem fit.

142. Not less than seven days' written notice of every meeting of the Board shall be given to every Director of the Company, including alternate Directors, if any. The notice of meeting shall be accompanied by an agenda, giving sufficient details of the matters to be considered at the meeting.

### **Quorum**

143. Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being round off as one), or two directors, whichever is higher. Provided that where at any time the number of interested directors exceeds or is equal to two-third of the total strength, the number of the remaining directors, that is to say, the number of directors who are not interested and are present at the meeting not being less than two shall be the quorum during such time.
144. If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place or if that day is public holiday, till the next succeeding day which is not a holiday, at the same time and place.

### **Chairman**

145. The Board of Directors shall elect one of its members as the Chairman of the Board Meeting. The Board shall determine the period for which he is to hold office.

### **Board may appoint Committees**

146. Subject to the restrictions contained in the Act, the Board may delegated any of its powers to Committees or Sub-Committee of the Board consisting of such members of its body as it think fit, and it may, from time to time, revoke and discharge any such Committees or Sub-Committee of the Board, either wholly or in part, and either as to persons or purposes, provided that every Committee or Sub-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 every such Committee of the Board in conformity with such regulations and in fulfilment of the purpose of their appointment but not otherwise shall have the like force and effect as if done by the Board. The Board may subject to the provisions of the Act from time to time fix their remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles and may pay the same.

### **Meetings of Committees**

147. The meetings and proceeding of any such Committee or Sub-Committee of the Board shall be governed by the provisions herein contained for regulation the meeting and proceedings of the Directors as far as the same are applicable thereto and any additional regulations made by the Directors which are not inconsistent with these Articles.

### **Board's power at meeting**

148. A meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion which by or under the Act or the Articles are, for the time being, vested in or exercisable by the Board.

### **Decisions at Board Meetings**

149. Each member of the Board of Directors shall be entitled to cast one vote with respect to any matter to be decided by the Board of Directors. A resolution of the Board of Directors shall be adopted by the affirmative vote of the majority of the Directors present at a meeting at which a quorum of the Board of Directors is present. In case of an equality of votes, the Chairman shall have a second or casting vote.

### **Resolution by circulation**

150. Subject to the applicable provision of the Act, a resolution passed by circulation shall have the same effect as if

approved at a meeting of the Board. No resolution shall be deemed to have been duly passed by the Board by circulation unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors and / or alternate Directors and has been approved by a majority of the Directors who are entitled to vote on the resolution. Every such circular resolution so passed shall be noted at the immediately succeeding Board meeting.

#### **Acts of Directors valid notwithstanding defective appointment**

151. All acts done by any meeting of the Board or by a Committee or Sub-Committee of the Board or by any person acting as director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or Committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them was terminated by virtue of any provision contained in the Act or in these Articles be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated office or their appointment had not been terminated. Provided that nothing contained in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

#### **Minutes of Director meeting**

152. The Board shall cause minutes to be kept of every meeting of the Board or Committee of the Board in accordance with Section 193 of the Act. The minutes shall contain:

- (a) The names of the Director present at such meeting of the Board and of any Committee
- (b) Particulars of all resolution and proceedings of meeting of the Board and Committee of the Board, and
- (c) The name of Directors, if any, dissenting from or not concurring in any resolution passed at a meeting of the Board or Committee of the Board.

153. Minutes of any meeting of the Board or Committee thereof, when kept in accordance with the provisions of Section 193 of the Act, shall be evidence of the proceedings recorded in such minutes.

#### **POWERS OF BOARD**

##### **General power vested in Board**

154. The control of the Company shall be vested in the Board, which shall be entitled to exercise all such acts and things as the Company is authorized to exercise and do and which are not exercisable by the Company in General Meeting under the Act or under the Memorandum of Association or under these Articles. The Board shall, however, exercise its power subject to the provisions of the Act, the Memorandum of Association of the Company and these Articles and any regulations made by the Company in General Meeting and which are not inconsistent with these Articles. No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. The board of Directors shall have all the powers conferred upon it under the provisions of the Companies Act, including the following:

- (1) To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (2) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of sections 76 and 208 of the Act.
- (3) Subject to sections 292 and 297 of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures, mortgages, or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

- (5) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- (6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purpose, and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
- (8) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon.
- (9) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (11) Subject to the provisions of sections 292, 295, 360, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments, save as provided in section 49 of the Act, all investments shall be made and held in the Company's own name.
- (12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability, whether as principal or surety, for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- (13) To enter into agreements with foreign companies and other persons for obtaining by grant, licence or on other terms, formulae and other rights and benefits and to obtain financial and/ or technical collaboration, technical information, know-how and expert advice in connection with the activities and business permitted under the Memorandum of Association of the Company;
- (14) To purchase in India or elsewhere any machinery, plant, stores and other articles, and things for all or any of the objects or purposes of the Company;
- (15) To purchase, take on lease or otherwise acquire in India any lands (whether freehold, leasehold or otherwise) and with or without house, buildings, structures or machinery (fixed or loose) and any moveable property, rights or privileges from any person including a Director in furtherance of or for carrying out its objects, at or for such price or consideration and generally on such terms and conditions and with such title thereto as they may think fit or may believe or be advised to be reasonably satisfactory.
- (16) To purchase, or otherwise acquire from any person and to resell, exchange, repurchase any patent for or licence for the use of any invention;
- (17) To sell for cash or on credit or to contract for the sale and future delivery of or to send for sale in any part of India or elsewhere any products or articles produced, manufactured or prepared by the Company as the Directors may deem advisable;
- (18) To erect, construct, and build any factories, warehouses, godowns, engine houses, tanks, wells, or other constructions, adapted to the objects of the Company as may be considered expedient or desirable for the objects or purposes of the Company or any of them;
- (19) From time to time to extend the business and undertaking of the Company by adding to, altering, or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property or in the possessions of the Company, or by erecting new or additional buildings, and to expand such sums of moneys for the purposes aforesaid or any of them, as may be thought necessary or expedient;
- (20) To negotiate for, and subject to the approval of the Company in General Meeting, contract for the sale transfer of all or any part of the property and undertaking of the Company as a going concern, subject or not subject to all or any of the obligations and liabilities of the Company;
- (21) To undertake on behalf of the Company the payment of all rents and the performance of all covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire the freehold or fee simple of all or any of the lands of the Company for the time being held under lease, or for an estates less than a freehold estate;
- (22) To improve, manage, develop, exchange, lease, sell, re-sell, and re-purchase, dispose of, deal with or otherwise turn to account any property (moveable or immovable) or any rights or privileges belonging to or at the disposal of

- the Company or in which the Company is interested;
- (23) To make advances and loans without any security, or on such security as they may think proper, and to take security for already existing debts, and otherwise to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof in Government or Municipal securities, fixed deposits in banks, and in such manner as they may think fit and from time to time to vary or realise such investments, and for the purposes aforesaid to authorise such persons within limits to be fixed from time to time by the Board;
  - (24) To insure and keep insured against loss or damage or fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable properties of the Company either separately or jointly, also to ensure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
  - (25) To attach any shares to be issued as a consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for the services rendered to the Company, such conditions as to the transfer there-off as they think fit;
  - (26) The person duly authorised by the Director shall be entitled to make, give, sign and execute all and every warrant to sue or defend on behalf of the Company and all and every legal proceedings and compositions or compromises, agreements and submissions to arbitration and agreements to refer to arbitration as may be requisite, and for the purpose of the aforesaid, the Secretary or such other person may be empowered to sue their or his own name on behalf of the Company, and they or he shall be saved harmless and indemnified out of the funds and property of the Company, from and against all cost and damages which they or he may incur or be liable to by reasons or their or his name so used as aforesaid.
  - (27) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
  - (28) To distribute by way of bonus amongst the staff of the Company a share or shares in the profit of the Company, and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transactions and to charge such bonus or commission as part of the working expenses of the Company.
  - (29) To provide for the welfare of Directors or ex – Directors or employees or ex – employees of the Company and their wives, widows and families or dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating, and from time to time subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise.
  - (30) Before recommending any dividend, to set aside out of the profits of the Company, such sum as they may think proper for depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture-stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may, in their absolute discretion think conducive to the interest of the Company and subject to section 292 of the Act to invest the several sums so set aside or so much thereof as require to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the reserve fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the funds including the depreciation of debentures or debenture-stock and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine per cent per annum.
  - (31) To appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide



for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

- (32) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.
- (33) From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local boards, and to fix their remuneration.
- (34) Subject to section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make call or to make loans or borrow moneys, and to authorise the members for the time being of any such local board, or any of them, to fill up any vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed and may annul or vary any such delegation.
- (35) At any time and from time to time by power of attorney under the seal of the Company, to appoint, any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow money) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the members of any local board, established as aforesaid or in favour of any company, or the shareholders, directors, nominee, or managers, of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
- (36) Subject to sections 294, 294-AA, 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- (37) From time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants.

#### **Cheques, promissory notes etc**

155. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instrument and all receipt for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person and in such manner as the Board shall, from time to time determine.

#### **Restriction on Power of the Board**

156. The Board shall not enter into any transaction or take any action or do any other things as referred to in section 293 of the Act, except with the sanction of a resolution of the Company in General Meeting:
  - (a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, the whole or substantially the whole of any such undertaking;
  - (b) remit or give time for the repayment of any debt due by a Director;
  - (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in sub-clause (a) or of any premises or properties used for any such undertakings and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
  - (d) borrow money where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose;

Provided further that the powers specified in section 292 of the Act shall subject to these Articles be exercised only at meetings of the Board; unless the same be delegated to the extent therein stated; or

- (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of sections 349 and 350 of the Act during the three financial years immediately preceding whichever is greater.

## **MANAGEMENT OF THE COMPANY**

### **Chief Executive Officer**

157. The Chief Executive Officer shall be appointed by the Board of Directors.

### **Power of Chief Executive Officer**

158. Subject to the superintendence, control and directions of the Board, the day-to-day management of the Company shall be in hands of the Chief Executive Officer. The Board may, from time to time entrust to and confer upon the Chief Executive Officer for time being such power as it may think fit to be exercised for such object and purpose and upon such terms and conditions and with such restrictions as it thinks fit.

### **Secretary of the Company**

159. The Board shall, from time to time, appoint (and may at its discretion remove) an individual who is a member of the Institute of the Company Secretaries of India or who possesses the qualification prescribed under the Act, as Secretary of the Company, who shall perform such functions which by the Act or these Articles are to be performed by the Secretary and shall perform such other ministerial and administrative duties which may be assigned by the Board.

### **Power to pay commission**

160. Subject to the provisions of Section 76 of the Act, the Company may pay commission to any person in consideration of:

- (a) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company, or
- (b) his procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares in, or debentures of the company

### **Common Seal**

161. The Board shall provide a Common Seal for the purposes of the Company, and shall have from time to time, power 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.

162. The Company shall also have liberty to have an official seal in accordance with Section 50 of the Act to use in any territory, district or place outside India.

163. The seal shall not be affixed to any instrument except by the authority of a Resolution of the Board of Directors or a committee of the Board authorized by it in that behalf and except in the presence of at least one Director and of the Secretary or such other person as the Board may appoint for the purpose, and such one Director and Secretary or other person as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

164. Provide further that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the companies (issue of Share Certificates), Rules, 1960, and any statutory modifications thereof, for the time being in force.

### **Annual Returns**

165. The Company shall make the requisite annual returns in accordance with Section 159 and 161 of the Act.

## **AUDIT**

### **Annual Audit**

173. (a) The books of account of the Company shall be examined and the correctness of the Balance Sheet and Profit & Loss Account determined by the auditor at least once every year.
- (b) Where the Company has a branch office, the accounts of the branch office shall be audited in accordance with Section 228 of the Act.

### **Copies of Balance Sheet to be filed**

174. The Company shall comply with the provisions of the Act as to filing copies of the Balance Sheet, Profit & Loss Account and documents required to be annexed or attached there to with the Register of Companies.

### **Appointment of Auditors**

175. The Company shall at each Annual General Meeting appoint or re-appoint a reputable firm of Chartered Accountants as the Auditors of the Company, to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting.

### **Right of Auditors**

176. Every Auditors of the Company shall have a right of access at all times to the books and vouchers of the Company and shall be entitled to obtain from the Directors and Officers of the Company such information as may be necessary for the performance of the duties of the Auditors.

### **Auditor's Report**

177. The Auditor's report shall be read before the Company in General Meeting and shall be open to inspection by any Member of the Company.

### **Account when conclusive**

178. Every Balance Sheet and Profit & Loss Account approved by an Annual General Meeting shall be conclusive, except with respect to any error discovered therein within three months after the approval thereof. Where any technical error is discovered within the said period, the account shall forthwith be corrected and thereafter shall be conclusive.

## **DIVIDENDS**

### **Dividends in proportion to amount paid up**

179. Subject to the provision of Section 205 of the Act, the proper and prudent management of the business of the Company and tax considerations, all monies reasonably available for distribution to share holder shall be distributed by way of dividend.
180. The profit of the Company shall, subject to any special right relating thereto created or authorized to be created by these Articles and subject to the provisions of these Articles, be divisible among the members in proportion to the amount of capital paid up or credited as paid up with respect to the shares held by them. Where a dividend has been so declared, the warrant in respect thereof shall be posted within thirty days from the date of declaration to the member entitled thereto.

### **Dividend to be paid only out of profits**

181. No dividend shall be declared or paid except out of the profits of the Company determined in accordance with the provisions of Section 205 of the Act or out of monies provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividends shall carry interest as against the Company. The recommendation of Board as to the amount of dividends of the Company shall be conclusive.

**Declaration of dividends**

182. The Company in General Meeting may declare dividends to be paid to Members not exceeding the amount recommended by the Board

**Interim Dividend**

183. The Board may, from time to time, pay to the Members interim dividends as appear to the Board to be justified by the profits of the Company.

**Dividend to be paid in cash**

184. No dividend shall be payable except in cash provided that nothing contained in this Article shall be deemed to prohibit the capitalization of profit or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the Members of the Company.

**Payment of interest out of capital**

185. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or building or the provision of any plant which cannot be made profitable for a lengthy period, the Company may pay interest on such of that share capital as is for the time being paid up for the period, at the rate, and subject to the conditions and restrictions provided by Section 208 of the Act.

**Set off of dividend against call**

186. Any General Meeting declaring a dividend may, on the recommendation of the board of Directors make a call on the Members of such amount as the meeting fixes, but so that the call on each Member shall not exceed the dividend payable and the dividend may, if so arranged between the Company and the Members be set of against the call.

**Capital paid up in advance not to earn dividend**

187. Where capital is paid in advance of calls the same may carry interest, but such capital while carrying interest shall not confer a right to participate in profits.

**Retention of dividends**

188. The Board may hold in abeyance the dividends or other monies payable upon shares in respect of which any person is under these Articles hereof, entitled to become a Member or to transfer the shares, until such person shall become a Member in respect of such shares or shall duly transfer the same.

**Restrictions payment of dividends**

189. No Member shall be entitled to receive payment of any interest or dividend respect of his share or shares or otherwise, either alone or jointly with any other person or persons, and the Board may deduct from the dividend payable to any Member all sums of money presently payable to the Company on account of calls or otherwise in relation to the Shares of the Company.

**No right to dividends**

190. A transfer of shares shall not confer the right to any dividend declared thereon before the registration of the transfer.

### **Dividend to joint holders**

191. Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

### **Dividend warrant**

192. Any dividend payment in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the holder or in the case of joint holders to the registered address of the holder who is first named in the register and every cheque or warrant shall be made payable to the order of the person to whom it is sent.

### **Unpaid or Unclaimed dividends**

193. 1. Where the Company has declared a dividends but which has not been paid or the dividend warrant in respect thereof have not been posted within 30 days from the date of the declaration to any shareholder entitled to the payment of the dividend, the Company shall, within 7 days from the date of expiry of the said period of 30 days, transfer the amount of dividend which remains unpaid or in relation to which no dividend warrant have been posted within the said period of 30 days to a special account called the Unpaid Dividend Account to be opened by the Company on its behalf in any Scheduled Bank according to the provisions of Section 205A of the Act.
2. 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 they became due for payment, shall be transferred by the Company to Investor Education and Protection Fund. No claims shall lie against the Fund or the Company in respect of individual amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.
3. The Company will not forfeit unclaimed dividends before the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases.
4. No unclaimed or unpaid dividend shall be forfeited by the Board.

## **CAPITALISATION OF PROFITS**

### **Capitalization of profits**

194. Any General Meeting may, upon the recommendation of the Board, resolve that any moneys standing to the credit of the Share Premium Account or Capital Redemption Reserve Account or any money, investments or other assets forming part of the undivided profits of the Company (including profits or surplus moneys realised on sale of capital assets of the Company) standing to the credit fund or reserve of the Company or in the hands of the Company and available for dividend be capitalised and distributed:
- (a) By the issue and distribution, among the holders of the shares of the Company or any of them on the footing that they become entitled thereto as capital in accordance with their respective rights and interests and in proportion to the amount paid or credited as paid thereon of paid up shares, bonds or other obligations of the Company; or
- (b) By crediting shares of the Company which may have been issued and are not fully paid up, in proportion to the amounts paid or credited as paid thereon respectively, with the whole or any part of the same remaining unpaid thereon.
- (c) The Board shall give effect to such resolution and apply such portion of the profits or Reserve Fund or any other fund as may be required for the purposes of making payments in full or in part for the shares, of the Company so distributed or (as the case may be) for purpose of paying in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up provided that no such distribution or payment shall be made unless recommended by the Board and if so recommended, such distribution and payment shall be accepted by such shareholders in full satisfaction of their interests in the paid capitalised sum.

### **Fractional certificates**

195. (a) For the purpose of giving effect to any resolution for the capitalization of reserves, 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, fix the value for distribution of any specific assets, make cash payments to any Members on the basis

of the value so fixed, or provide that fractions of less value than One Rupee 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 persons entitled to the dividend or capitalized fund as may seem expedient to the Board. Where required, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective and binding on such persons.

- (b) In cases where some of the shares of the Company are fully paid and others are partly paid, only such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares and by crediting the partly paid shares with the whole or part of the unpaid liability thereon, but so that as between the holders of the fully paid shares and the and the partly paid share, the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amounts then already paid or credited as paid on the existing fully paid and partly paid shares respectively.

## **NOTICE AND DOCUMENTS**

### **Notice**

196. A notice or other documents may be given by the Company to any Member by personal delivery or by sending it by registered post or by courier delivery or by facsimile transmission to the address and facsimile number last provided by such Member to the Company.
197. Any notice, demand or communication shall be deemed to have been duly served:
- If delivered personally or by courier, on the day of delivery;
  - If sent by facsimile, on the day on which the sender receives facsimile confirmation from the recipient that it has received the sender's facsimile transmission (and, in this regard, the recipient shall be obliged to send such facsimile confirmation forthwith upon receipt of the sender's facsimile transmission); and
  - If sent by registered letter, seven Business Days after posting, and in proving the same it shall be sufficient to show that the envelope containing the notice, demand or communication was correctly addressed, fully stamped and posted;

and, where any notice, demand or communication is given by more than one mode, the earliest date on which it is deemed to have been duly served shall be the applicable date of service.

198. Any documents or notice to be served or given by the Company may be signed by the Secretary or a Director or some person duly authorized by the Board
199. Notice to the Company shall be sent to the Registered Office.

### **Notice by Advertisement**

200. A notice or other document advertised in a newspaper circulating in the place where the registered Office shall be deemed to be duly served on the day on which the advertisement appears, on every Member resident in India who has no registered address in India and who has not supplied to the Company an address for the sending of notices to him. Any Member resident in India who has no registered address in India shall, If so required to do by the Company, supply the Company with an address in India for the sending of notices.

### **Notice to Joint holders**

201. A notice may be given by the company to the joint holder of a share by giving the notice to the joint holder whose name first appears in the Register in respect of shares.

### **Notices to persons acquiring shares on death of Member**

202. A notice may be given by the Company to the persons entitled to a share in consequence of the death of Member by

sending it through the mail, postage prepaid, addressed to them by name, or by the title of the representative of the deceased to the address, if any in India, supplied for the purpose by the persons claiming to be so entitled, or by giving notice in any manner in which the same might have been given if the death had not occurred.

#### **Inspection of Registers etc.**

204. Where under the Act any person, whether a Member of the Company or not, is entitled to inspect any Register, return, Certificate, deed, instrument or document kept or maintained by the company, the person so entitled shall have the right to inspect the same during such business hours as may, subject to the provisions of the Act in that behalf, be determined by the Board or the Company in General Meeting, and the Company shall comply with the provisions of the Act regarding the supply copies of any such Register, return, Certificate, deed, instrument or other document.

#### **Foreign register of Members or Debenture Holders**

205. Subject to 157 and Section 158 of the Act, the Company may keep in any State or country outside India a branch register of members or debenture holders resident in that State or country.

#### **Company to furnish copies of documents**

206. The Company shall send to every Member at his request and on payment of the prescribed amount, copies of the Memorandum of Association of the Company and other documents referred to in section 39 of the Act within seven days of such request.

#### **Authentication of documents**

207. Except as otherwise expressly provided in the Act or these Articles, documents or proceedings requiring authentication by the Company may be signed by a Director, the Manager, the Secretary or other authorized officer of the Company and need not be under its Common Seal.

#### **WINDING – UP**

##### **Distribution of assets**

208. If the Company be wound up and the assets available for distribution among the Members be insufficient to repay the whole of the paid up capital, such assets shall be distributed in such a way that the losses may be borne as nearly as possible by the Members in proportion to the capital paid up at the commencement of the winding up on the share held by them respectively. If in a winding up the assets available for distribution among the Members be more than sufficient to repay the whole of the paid up capital at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital paid up at the commencement of the winding up. But this Article shall in no way affect the rights of the holders of shares issued upon special terms and conditions.
209. If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution and any other sanction required by the Act, divide amongst the contributors, in specie, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. The liquidators may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributors as the liquidators shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **SECRECY**

##### **Secrecy**

210. Every Director, Managing Director, Auditor, Secretary, Trustee, Officer, Employee, Agent, Accountant or other person employed in or about the business of the Company shall observe strict confidentiality regarding all affairs of the Company, and shall not reveal any of the matters which may come to his knowledge in discharge of his duties

except when required so to do by the Board or by a court of law and except so far as may be necessary in order to comply with any of the provision contained in these Articles of the Act.

211. No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or the require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or communicate.

## **INDEMNITY**

### **Indemnity**

212. Subject to the provisions of Section 201 of the Act, every Director, Manager, Officer, Servant and any person employed by the Company shall be indemnified out of the fund of the Company, and it shall be the duty of the Board to pay out the fund of the Company all costs, losses and expenses which any such Director, Manager, Officer, Servant or employee may incur or become liable to by reason of any contract entered into or in any way in the discharge of their duties, including expenses and in particulars and so as not to limit the generality of the foregoing provisions , against all liabilities incurred by them as such Director, Manager ,Officer, or employee in defending any proceedings, whether civil or criminal, in which judgment is given in that person's favour or he is acquitted or in connection with application under the Section 633 of the Act in which relief is granted by the Court. The amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Members over all other Claims.
213. Subject to the provisions of Section 201 of the Act, no Director of the Company, Manager, Secretary, Trustee, Auditor and other officer or servant of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or servant, or for joining in any receipts or other act for the sake of conformity merely, or for any loss or expenses happening to the company through the insufficiency or deficiency in point of titles or values of any property acquired by the order of the Directors for or on behalf of the Company, or mortgaged to the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested, or for any loss occasioned by any error of judgment omission, default or over-sight on his part, or for any other loss, damage or misfortune whatever which shall happen in relation to the execution or performance of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

## **GENERAL**

### **General**

214. Wherever in the Companies Act, it has been provided that the Company shall have right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this regulation hereto authorizes and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.



## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND MATERIAL DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 'Turner Morrison Building, 1<sup>st</sup> Floor, 16 Bank Street, Fort, Mumbai - 400 001, Maharashtra, India.' from 10.00 a.m to 4.00 p.m. on working days from the date from the filing of this Red Herring Prospectus until the Bid/Issue Closing Date

#### *Material Contracts*

1. Engagement letter dated July 6, 2009 for appointing India Infoline Limited as the BRLM
2. Memorandum of Understanding dated August 20, 2009 among the Company, the Selling Shareholders and the BRLM.
3. Memorandum of Understanding dated August 19, 2009 among the Company, the Selling Shareholders and the Registrar to the Issue.
4. Escrow Agreement dated [●] among the Company, the Selling Shareholders, the BRLM, the Escrow Collection Banks and the Registrar to the Issue.
5. Syndicate Agreement dated [●] among the Company, the Selling Shareholders, the BRLM, and the Syndicate Member(s).
6. Underwriting Agreement dated [●] among the Company, the Selling Shareholders, the BRLM and the Syndicate Member(s).
7. Appointment letter dated October 11, 2007 appointing Credit Analysis and Research Limited, a credit rating agency for grading the Issue.
8. Letter dated October 9, 2009 by State Bank of India accepting appointment as the Monitoring Agency

#### *Material Documents*


1. The Company's Memorandum of Association and Articles of Association, as amended from time to time.
2. The Company's Certificate of Incorporation.
3. Board resolution dated July 6, 2009 authorizing the Issue and related matters.
4. Shareholders' resolutions dated August 10, 2009 authorizing the Issue and related matters.
5. Authorisation from each of the Selling Shareholders for the Offer for Sale.
6. Consent from each of the Selling Shareholders in relation to the Offer for Sale.
7. Present terms of employment between the Company and the Directors as approved by the Board and the shareholders of the Company.
8. Report of the Auditors, M/s. Chaturvedi & Shah, Chartered Accountants dated October 26, 2009 prepared as per Indian GAAP and the Companies Act and restated as per the SEBI Regulations.
9. Certificate on Financial Indebtedness issued by the Auditors, M/s. Chaturvedi & Shah, Chartered Accountants.
10. Copies of annual reports of the Company and the Subsidiaries for the years ended 2005, 2006, 2007, 2008 and 2009, and three months period ended June 30, 2009, as applicable.
11. Consent of the Auditors, Chaturvedi & Shah, Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in the Red Herring Prospectus.
12. Consents of the Auditors, the Bankers to the Company, the BRLM, the Syndicate Member(s), the Registrar to the Issue, the Banker to the Issue, Legal Advisors to the Company and the Underwriter, the Directors of the Company, the Company Secretary and the Compliance Officer, as referred to, in their respective capacities.
13. Consent of Credit Analysis and Research Limited, a SEBI registered credit rating agency, for inclusion of its grading of the Issue in the Red Herring Prospectus.
14. In-principle listing approvals dated September 10, 2009 and September 11, 2009 from BSE and NSE, respectively.
15. Tripartite Agreement among NSDL, the Company and the Registrar to the Issue dated March 22, 2007.
16. Tripartite Agreement among CDSL, the Company and the Registrar to the Issue dated March 21, 2007.
17. Due Diligence Certificate dated August 20, 2009 issued to SEBI by the BRLM.
18. IPO Grading Letter by CARE dated September 17, 2009
19. SEBI observation letter no. CFD/DIL/ISSUES/SP/JAK/177888/2009 dated September 24, 2009

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

**DECLARATION BY THE COMPANY**

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956 and the Securities and Exchange Board of India Act, 1992, each as amended or the rules made thereunder or guidelines issued, as the case may be.

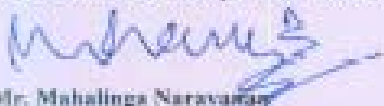
SIGNED BY THE DIRECTORS OF THE COMPANY


  
Mr. A.B.M. Good  
Chairman (Executive)

  
Mr. Ajay Ajit Peter Kerkar  
Executive Director & CEO

  
Ms. Urrashila Kerkar  
Executive Director

  
Mr. Pesi Patel  
Non-Executive & Independent Director

  
Mr. Mahalinga Narayanan  
Non-Executive & Independent Director

  
Mr. Subhash Chandra Bhargava  
Non-Executive & Independent Director

SIGNED BY THE CHIEF EXECUTIVE OFFICER

  
Mr. Ajay Ajit Peter Kerkar

SIGNED BY THE CHIEF FINANCIAL OFFICER

  
Mr. Anil Khandhwal

Date: 11<sup>th</sup> November, 2009  
Place: Mumbai

**DECLARATION**

We, a Selling Shareholder through our director/ authorised signatory certify severally and not jointly that all statements in this Red Herring Prospectus pertaining to us as an individual Selling Shareholder and the Equity Shares we are offering in the Offer for Sale are true and correct in all material respects. We assume no responsibility for any of the statements in this Red Herring Prospectus relating to the Company, their business and related disclosures or any other Selling Shareholder.

**SIGNED BY THE DIRECTOR/ AUTHORISED  
SIGNATORY OF LEHMAN BROTHERS  
OPPORTUNITY LTD.**



---

**Boopendras Sungkar**

**SIGNED BY THE CHIEF FINANCIAL OFFICER  
OF COX AND KINGS (INDIA) LIMITED**



**Mr. Anil Khandelwal**

Date: October 31, 2009

**DECLARATION**

We, a Selling Shareholder through our constituted attorney certify that all statements in this Red Herring Prospectus pertaining to us as an Individual Selling Shareholder and the Equity Shares we are offering in the Offer for Sale are true and correct in all material respects. We assume no responsibility for any of the statements in this Red Herring Prospectus relating to the Company, their business and related disclosures or any other Selling Shareholder.

SIGNED BY DEUTSCHE SECURITIES  
MAURITIUS LIMITED

  
November 2, 2009.  
(Yash Varma)

---



\*through their constituted attorney

SIGNED BY THE CHIEF FINANCIAL OFFICER  
OF COX AND KINGS (INDIA) LIMITED

  
Mr. Anil Khandewal

Date: November 03, 2009

**DECLARATION**

We, the undersigned, as one of the Selling Shareholders through our constituted attorney certify that all statements in this Red Herring Prospectus pertaining to the Equity Shares held by us as an individual Selling Shareholder and the Equity Shares we are offering in the Offer for Sale are true and correct in all material respects. We assume no responsibility for any of the statements in this Red Herring Prospectus relating to the Company, their business and related disclosures or any other Selling Shareholder.

**SIGNED BY MERRILL LYNCH CAPITAL  
MARKETS ESPAÑA, S.A.S.V MADRID SPAIN**



**Jose Maria Martin  
CAO**

---

*\*through their constituted attorney*

**SIGNED BY THE CHIEF FINANCIAL OFFICER  
OF COX AND KINGS (INDIA) LIMITED**



**Mr. Anil Khandeewal**

Date: October 31, 2009



Mr. Ajay Ajit Peter Kerkar  
Managing Director  
Cox & Kings (India) Ltd  
Turner Morrison Building  
16 Bank Street, Fort  
Mumbai – 400001

## CREDIT ANALYSIS & RESEARCH LTD.

4<sup>th</sup> Floor, Godrej Coliseum,  
Somalya Hospital Road,  
Off Eastern Express Highway,  
Sion (East), Mumbai - 400 022, INDIA.  
☎ : 67543456 Fax : (022) 67543457  
E-mail : care@careratings.com  
www.careratings.com

November 11, 2009

### Confidential

Dear Sir,

### IPO Grading

Please refer to your request for revalidation of grading assigned to the IPO issue with the face value of Rs.15.45 crore of your company.

2. It has been decided to reaffirm the grading of 'CARE IPO Grade 4' [Grade Four] to the proposed IPO issue of C&K. CARE IPO Grade 4 indicates above average fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.
3. Please note that wherever 'CARE IPO Grade 4' [Grade Four] appears, it should invariably be followed by the definition 'CARE IPO Grade 4 [Grade Four] indicates above average fundamentals'.
4. The explanatory notes regarding the grading symbols of CARE for IPO grading are given in Annexure 1. The rationale for this grading will be communicated to you separately.
5. Please arrange to get the grading revalidated, in case the proposed IPO issue is not made within two months from the date of this letter.
6. Please note that the IPO grading is a one time exercise undertaken before an IPO issue and it does not have any ongoing validity.

7. Please note that as per the existing regulations, CARE is required to disclose all IPO gradings.
8. Please note that the disclaimer as given hereunder should be disclosed wherever the IPO grading assigned by CARE is mentioned, including offer document and issue prospectus.
9. If you need any clarification, you are welcome to approach us in this regard.

Thanking You,

Yours faithfully,



**[Mohit Tayal]**  
Dy. Manager



**[Umeshpratap Singh]**  
Assistant General Manager

Encl: As above

**DISCLAIMER:**

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer, also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

Annexure 1

**CARE IPO grading Scale**

<b>CARE IPO grade</b>	<b>Evaluation</b>
CARE IPO Grade 5	Strong fundamentals
CARE IPO Grade 4	Above average fundamentals
CARE IPO Grade 3	Average fundamentals
CARE IPO Grade 2	Below average fundamentals
CARE IPO Grade 1	Poor fundamentals

*Handwritten signature*



Mr. Peter Kerkar  
Managing Director  
Cox & Kings (India) Ltd  
Turner Morrison Building  
16 Bank Street, Fort  
Mumbai – 400001

4<sup>th</sup> Floor, Godrej Coliseum,  
Somaya Hospital Road,  
Off Eastern Express Highway,  
Sion (East), Mumbai - 400 022, INDIA.  
☎ : 67543456 Fax : (022) 67543457  
E-mail : care@careratings.com  
www.careratings.com

September 17, 2009

**Confidential**

Dear Sir,

**IPO Grading**

Please refer to your letter dated September 16, 2009 for grading of your Initial Public Offering (IPO) of 15,450,000 equity shares of face value of Rs.10 each of Cox & Kings (India) Ltd (C&K).

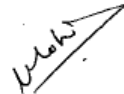
2. CARE has assigned a '**CARE IPO Grade 4**' [**Grade Four**] to the proposed IPO issue of C&K. **CARE IPO Grade 4** indicates **above average fundamentals**. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.
3. Please note that wherever '**CARE IPO Grade 4**' [**Grade Four**] appears, it should invariably be followed by the definition '**CARE IPO Grade 4** [**Grade Four**] indicates above average fundamentals'.
4. The explanatory notes regarding the grading symbols of CARE for IPO grading are given in **Annexure 1**. The rationale for this grading will be communicated to you separately.
5. Please arrange to get the grading revalidated, in case the proposed IPO issue is not made within two months from the date of this letter.
6. Please note that the IPO grading is a one time exercise undertaken before an IPO issue and it does not have any ongoing validity.



7. Please note that as per the existing regulations, CARE is required to disclose all IPO gradings.
8. Please note that the disclaimer as given hereunder should be disclosed wherever the IPO grading assigned by CARE is mentioned, including offer document and issue prospectus.
9. If you need any clarification, you are welcome to approach us in this regard.

Thanking You,

Yours faithfully,



**[Mohit Tayal]**  
Deputy Manager



**[Aarti Mhatre]**  
Manager

Encl : As above

**DISCLAIMER:**

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

**Annexure 1**

**CARE IPO grading Scale**

<b>CARE IPO grade</b>	<b>Evaluation</b>
CARE IPO Grade 5	Strong fundamentals
CARE IPO Grade 4	Above average fundamentals
CARE IPO Grade 3	Average fundamentals
CARE IPO Grade 2	Below average fundamentals
CARE IPO Grade 1	Poor fundamentals

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**Annexure-I**

**Grading Rationale**

**Cox & Kings (India) Ltd**

**IPO Grading**

**CARE IPO Grade 4**

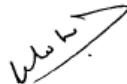
CARE has assigned a 'CARE IPO Grade 4' to the proposed Initial Public Offer (IPO) of Cox & Kings (India) Ltd. (C&K). CARE IPO Grade 4 indicates above average fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the relative assessment of the fundamentals of the issuer. C&K proposes an IPO of 15,450,000 equity shares of face value of Rs.10 each.

*The grading derives strength from long track record of the company, experienced promoters, diversified operations and recognised brand name in domestic and international markets. The ratings also take into account improved operational performance over the years leading to steady growth in gross margins and presence of subsidiaries and associate companies across the globe, facilitating synergy of operations.*

*The grading is constrained by the increasing debt profile of the Company, fragmented nature of the domestic travel industry and its correlation with the economic growth. The ability of C&K to maintain growth and protect margins under the present downturn in the tourism industry consequent to global financial turmoil and swine flu scare remains the key grading sensitivity.*

**Company Background**

C&K is one of the oldest travel companies in the world having presence in 18 countries besides India. It started operations in 1758, initially working as an agent and banker to many of the cavalry and infantry regiments, Royal Navy and Royal Air Force etc. C&K



was incorporated in India as 'Eastern Carrying Company Ltd' in 1939. It continued operations in India even after 1947, subsequent to which the name was changed to Cox & Kings (India) Ltd. in 1950.

C&K acquired 100% stake in Clearmine Ltd - a company incorporated in UK in March 2006. Clearmine Ltd., through its wholly-owned subsidiary ETN services, carries out destination management services for the company's tours to Europe and all inbound tours in Europe for other tour operators. In September 2007, C&K acquired the entire equity stake in Cox & Kings Ltd., UK and 41.17% equity stake in Cox & Kings (Japan) Ltd. Cox & Kings Travel Ltd., a wholly-owned subsidiary of Cox & Kings Ltd., UK, is an outbound specialist tour operator and caters to leisure travel market of Europe. Cox & Kings (Japan) Ltd. is a dedicated wholesaler of products and services to other tour operators. It also offers ground handling capabilities in select geographies.

On September 8, 2008, C&K's wholly-owned subsidiary CNK Internet Pte. Ltd. incorporated a Company, Quoprro Global Services Pte. Ltd., Singapore. On October 1, 2008, C&K acquired 100% equity stake in Quoprro Global Services Private Limited which is into the business of visa processing. In September 2008, C&K got an approval from The High Commission of India at Singapore for outsourcing their visa processing activities to the Company.

During November 2008, C&K acquired Tempo Holidays Pty Ltd. based in Australia and Tempo Holidays NZ Ltd., New Zealand, a wholly-owned subsidiary of Tempo Holidays Pty Ltd. with effect from December 2008. Since significant business of Tempo Holidays is in European countries, the acquisition will lead to consolidation of its ground handling capabilities with ETN Services Limited, thus, adding to C&K's existing buying power and thereby resulting in significant savings to the group. In December 2008, C&K formed a Joint Venture with Indian Railways Catering & Tourism Corp (IRCTC) under the name of "Royale Indian Rail Tours Limited" to operate a luxury train to be called "Maharajas' Express".

C&K has global presence with operations in 18 countries besides India, through its subsidiaries, branch offices and representative offices. C&K has subsidiaries in UK,



Australia, New Zealand, Japan, US, UAE and Singapore. It also operates from Moscow (Russia), Maldives and Tahiti through its branch offices and in Spain, Sweden, Germany, Italy, France, Taiwan, South America and South Africa through its representative offices. C&K has access to diverse portfolio of tourists in the domestic as well as international markets.

#### **Management**

The company is spear-headed by its Chairman Mr. A.B.M.Good and its CEO Mr. Ajay Ajit Peter Kerkar. Under their leadership, C&K is placed as one of the premier travel companies in India and a brand leader in the premium market segment in UK, USA and Japan. The Company is led by a management team that has been associated with the travel industry for many years.

#### **Corporate Governance**

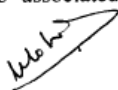
According to the Securities & Exchange Board of India (SEBI) guidelines, the Company has formed committees such as Audit Committee, Remuneration Committee and Investor/ Shareholders Grievance Committee. These committees were formed in July 2007 in view of the IPO.

The company has three independent directors out of six directors on Board and remaining directors are Promoter Directors.

#### **Operations of the Company**

C&K basically operates in three main verticals/product lines which are leisure, corporate travel and forex. It offers products like MICE (Meetings, Incentives, Conferences and Exhibitions), FITs (Free Individual Travellers), Groups and Trade Fairs across all the verticals. The company offers pre-packaged or tailor-made products as per the requirements of a group or an individual client. It operates in three segments viz inbound, outbound and domestic; of which, outbound travel contributed mainly towards the total revenue earned in leisure travel. Leisure travel segment contributed around 85% of total revenues of C&K in its Indian operations in FY09.

Corporate travel involves low marketing costs and provides fee-based income. C&K is also associated with Radius, a global travel company. Through Radius, C&K has

A handwritten signature in black ink, appearing to be "Vishal", written over a horizontal line.

presence through its own offices as well as its Radius partners in more than 80 countries worldwide, with exclusive access to all business flowing into India.

The gross margins enjoyed by C&K in business travel and forex divisions are low compared to that of leisure travels. Since majority of the operations of the company are in the leisure segment, the company witnessed growing trend in the operational performance over the years.

With the acquisition of Quoprrro Global Services Private Limited, C&K entered into visa processing, and subsequent to this acquisition, the Company got approval from the diplomatic mission of India at Singapore for outsourcing their visa processing activities to the Company. Also, with the recent Joint Venture with IRCTC, C&K entered into the business of luxury train-based tourism.

**IPO Issue Details**

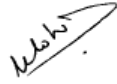
The company proposes to make a public issue 18,496,640 equity shares at a face value of Rs.10 each. The issue includes fresh issue of 15,450,000 equity shares by the company and an Offer for Sale of 3,046,640 equity shares by Lehman Brothers Opportunity Limited, Deutsche Securities Mauritius Limited and Merrill Lynch Capital Markets Espana, S.A., S.V (the selling shareholders). The Company will not receive any proceeds from the Offer for Sale. The issue will include employee reservation up to 2 lakh equity shares and will constitute 29.40% of the fully diluted post-issue paid-up capital of the Company.

The proceeds from the issue of shares are intended to be deployed as follows:

(Rs.crore)

Particulars	Fund Requirement
Repayment of Loans	129.6
Acquisitions & Other Strategic Initiatives	150.0
Investment in Overseas Subsidiaries	62.5
Investment in Corporate Office & Upgrading Existing Operations	60.0
General Corporate Purposes and Issue-related Expenses	NA*

\*NA – Not available



### Industry Overview

The 'Travel and Tourism' industry comprises three major components viz the tour operators, the travel agents and the tourist boards. The tour operators bring together various components of the travel-related industries (like hotel, airline, buses etc) into a single product - a holiday. The travel agents act as retailers and distributors of the services provided by the tour operators, apart from providing services like air-line bookings, hotel bookings, arranging for private vehicles etc for highly-customised needs. The tourist boards are authorities or public bodies formed at both national as well as regional levels to promote a territory to the public, tour operators and travel agents besides developing and maintaining the territory.

Globally, service industries like travel and tourism industry flourish with the rise in country's prosperity. The industry not only boosts the consumption of goods and services but also increases national wealth by means of taxes levied on businesses in the tourism industry. Additionally, the industry also creates opportunities for employment in the various service industries associated with tourism, like transportation services such as cruise ships and taxis, food and accommodation such as hotels, restaurants, bars, entertainment venues, and other hospitality industry services such as spas, handicrafts and resorts. The Indian Travel & Tourism industry is expected to grow by 7.7% per annum in real terms between 2010 and 2019 witnessed by a lot of interest from foreign players as well as the investors.

The Indian travel industry has traditionally been a highly fragmented industry, with a few large players and a number of small regional players. The country has very few travel operators whereas the number of travel agents is colossal. Around, 5.1 million foreign tourists arrived in India during FY2008-09, which translated into a decline of 2.5 per cent. The fall was due to the global slowdown and the Mumbai terror attacks. Although India received almost 5.1 mn tourists in FY2008-09, the country's share in international tourism remains dismally low. Terrorist attacks, increase in air fares and the global financial meltdown reportedly affected bookings last year. Further, due to the financial turmoil in the USA and Europe, travelling is low on the priority list of foreigners.

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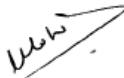
Tourist arrivals are expected to decline in the coming months as in addition to the global slowdown and the terror attacks, it is now the swine flu scare in India that will keep tourists away.

#### Financial Analysis

C&K, with respect to its Indian operations, witnessed a Compounded Annual Growth Rate (CAGR) of 35% in total income during FY06-09. C&K has managed strong growth in relatively weak market, achieving 32% YoY growth in revenues in FY09 in its Indian operations and 58% YoY growth in revenues on a consolidated basis. As per its revenue recognition policy, the company books its revenues from all its travel packages net of expenses incurred for the same. The expenses incurred towards payment to airlines, hotels and other services rendered for all its travel packages, are deducted from the gross revenues received from the passengers and booked as total income from operations in the books. Since majority of the variable costs are already accounted for while reporting the turnover, the costs reported by the company in its books are fixed in nature. Even in the weak market scenario prevalent during FY09, C&K managed to maintain high PBILDT margin of 44.39% in FY09 compared to 44.40% in FY08 on a standalone basis. However, PAT margin has marginally deteriorated to 23.62% in FY09 as compared to the previous year due to higher interest and tax expenses. Being a service-driven industry, fixed assets mainly comprise computers, furniture & fixtures etc. Thus, depreciation costs are low for the company.

Post March 31, 2009, the Company has successfully made a rights issue of 19,547,682 equity shares (issued at par) in the ratio of 7:10 thereby increasing its paid-up share capital to Rs.47.47 crore from Rs.27.93 crore as on March 31, 2009.

During the year, the Company has made an investment of Rs.8.55 crore in Cox & Kings (Australia) Pty Ltd. (incorporated in February 2008). Cox & Kings (Australia) Pty Ltd. has acquired Tempo Holidays Pty. Ltd. with effect from November 5, 2008 to strengthen its presence in Australia and New Zealand.

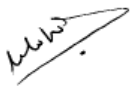


Interest coverage of the company declined in FY09 mainly due to the elevated interest cost and higher borrowings during the year to fund its growing operations. The overall gearing ratio increased over the years mainly due to higher short-term borrowings for working capital requirements. Inventory component comprises currency kept with the company for its foreign exchange business. The average collection period, though increased over the years, remained comfortable for FY09 as the company does not extend credit beyond 35-40 days on an average. Moreover, majority of the transactions with the customers are done in advance through credit card payments. The current ratio is comfortable in FY09 at 1.30 and has improved over the years.

**Financial Results – Cox & Kings (India) Limited (Standalone)**

(Rs. Crore)

Year ended as 31st March	2006-07	2007-08	2008-09
<b>Working Results</b>			
Net Sales	89.14	117.59	155.09
Total Operating Income	89.14	117.59	155.09
PBILD	38.51	52.21	68.85
Interest	5.06	4.09	9.12
Depreciation	2.99	3.86	4.95
PBT	32.81	48.76	60.91
PAT (after deferred tax)	20.54	31.56	38.17
Gross Cash Accruals	22.82	35.41	40.87
<b>Financial Position</b>			
Equity Share Capital	5.44	27.93	27.93
Net worth	73.59	146.28	181.59
Total Capital Employed	130.80	267.82	366.25
<b>Key Ratios</b>			
<b>Growth</b>			
Growth in Total Income (%)	41.11	31.91	31.89
Growth in PAT [after D.Tax] (%)	37.84	53.64	20.97
<b>Profitability</b>			
PBILD/Total Operating Income (%)	43.20	44.40	44.39
PAT/Total Income (%)	22.45	25.85	23.62
ROCE (%)	30.59	26.51	22.09
Average Cost of Borrowing (%)	8.33	4.57	6.02
<b>Solvency</b>			
Long Term Debt Equity Ratio (times)	0.44	0.23	0.32
Overall Gearing Ratio (times)	0.78	0.83	1.02
Interest Coverage (times)	7.01	11.83	7.01
Term Debt / Gross Cash Accruals	1.41	0.95	1.43



Year ended as 31st March	2006-07	2007-08	2008-09
<b>Liquidity</b>			
Current Ratio (times)	1.19	1.17	1.30
Quick Ratio (times)	1.18	1.16	1.28
<b>Turnover*</b>			
Average Collection Period (days)	22	35	40
Average Creditors (days)	9	10	10
Average Inventory Days	1	1	1

\*Calculated on gross revenues and expenses as against reported sales and expenses.

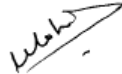
### Prospects

International as well as domestic flow of tourists is expected to revive in the second half of FY2009-10. Foreign tourist arrivals are expected to rise by 5 per cent in FY2009-10 to 5.35 million. The industry is still at a nascent stage and has a long way to go before attaining maturity. The growth in the domestic industry is expected to come from the Government's initiatives to develop infrastructure, growing business activities, industry status being awarded to the tourism sector and the increased spend by the centre and the states on tourism promotion.

Overall, a prudent-mix of services offered in business travel, leisure travel and diversified operations in various locations are expected to mitigate the significant spurts of volatility in revenue generation for a travel and tour operator.

#### DISCLAIMER:

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.



**Annexure – II**

**Press Release**

**CARE assigns 'CARE IPO Grade 4' to Cox & Kings (India) Ltd.**

CARE has assigned a 'CARE IPO Grade 4' to the proposed Initial Public Offer (IPO) of Cox & Kings (India) Ltd. (C&K). CARE IPO Grade 4 indicates above average fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the relative assessment of the fundamentals of the issuer. C&K proposes an IPO of 15,450,000 equity shares of face value of Rs.10 each.

**Rating Rationale**

The grading derives strength from the long track record of the company, experienced promoters, diversified operations and recognised brand name in domestic and international markets. The ratings also take into account improved operational performance over the years leading to steady growth in gross margins and presence of subsidiaries and associate companies across the globe, facilitating synergy of operations.

The grading is constrained by increasing debt profile of the Company, fragmented nature of the domestic travel industry and its correlation with the economic growth. The ability of C&K to maintain growth and protect margins under the present downturn in tourism industry consequent to global financial turmoil and swine flu scare remains the key grading sensitivity.

**Company Profile**

Cox & Kings (India) Ltd. (C&K), established in India in 1939, is one of the longest running travel companies in the world with presence in UK, Australia, New Zealand, Japan, US, UAE and Singapore through its subsidiaries. C&K basically operates in three main verticals/product lines - leisure, corporate travel and forex. It offers products like

MICE (Meetings, Incentives, Conferences and Exhibitions), FITs (Free Individual Travellers), Groups and Trade Fairs across all the verticals. With the acquisition of Quopro Global Services Private Limited, C&K entered into the business of visa processing. And with recent Joint Venture with IRCTC, C&K entered into the business of luxury train-based tourism.

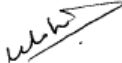
C&K has global presence with operations in 18 countries besides India through its subsidiaries, branch offices and representative offices. C&K has subsidiaries in UK, Australia, New Zealand, Japan, US, UAE and Singapore. It also operates from Moscow (Russia), Maldives and Tahiti through its branch offices and in Spain, Sweden, Germany, Italy, France, Taiwan, South America and South Africa through its representative offices. C&K has access to diverse portfolio of tourists in the domestic as well as international markets.

The company is headed by the Chairman Mr. ABM Good and CEO Mr. Ajay Ajit Peter Kerkar. Under their leadership, C&K is well placed as one of the premier travel companies in India and as a brand leader in the premium market segment in UK, USA and Japan.

The company has three independent directors out of six directors on Board and remaining directors are Promoter Directors. Corporate governance practices, in terms of adhering to clause 49 of the listing agreement are in order as all Committees were formed in July 2007 in view of the IPO.

The proceeds from the issue of shares are intended to be deployed for repayment of loans, acquisitions & other strategic initiatives, investment in overseas subsidiaries, investment in corporate office & upgrading existing operations apart from general corporate purposes.

C&K, with respect to its Indian operation, witnessed a Compounded Annual Growth Rate (CAGR) of 35% in total income during FY06-09. C&K has managed strong growth in relatively weak market, achieving 32% YoY growth in revenues in FY09 in its Indian operations and 58% YoY growth in revenues on a consolidated basis. C&K had reported a total income of Rs.155.09 crore on standalone basis and Rs.286.90 crore on a consolidated basis for FY09.



C&K, on a standalone basis has managed to achieve PBILDT margin of 44.39% in FY09 compared to 44.40% in FY08. However, PAT margin has marginally deteriorated to 23.62% in FY09 as compared to the previous year due to higher interest and tax expenses.

Interest coverage declined in FY09 mainly due to the elevated interest cost and higher borrowings during the year. It was however comfortable at 7.01 for FY09. The overall gearing ratio increased over the years mainly due to higher short-term borrowings for working capital requirements.

Post March 31, 2009, the Company has successfully made a rights issue of 19,547,682 equity shares (issued at par) in the ratio of 7:10 thereby increasing its paid-up share capital to Rs.47.47 crore from Rs.27.93 crore as on March 31, 2009.

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*CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.*

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