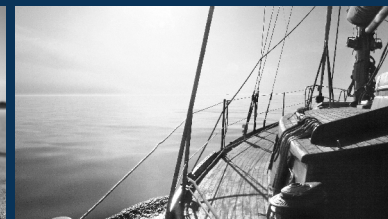
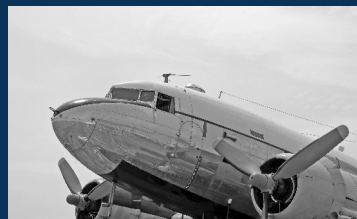




[coxandkings.com](http://coxandkings.com)

# Cox & Kings Limited

## 70th Annual Report 2009-10



**360° Travel. 100% focus.**

# CONTENTS

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	<b>Page No.</b>
Corporate Information	1
Chairman's Message	2
Financial Highlights of Consolidated Accounts	4
Director's Report	5
Management's Discussion & Analysis of Financial Condition & Results of Operations	10
Corporate Governance Report	16
CSR Activities / Community Initiative	31
Auditor's Report	33
Balance Sheet	36
Profit and Loss Account	37
Cash Flow Statement	38
Schedules to Accounts	40
Notes to Accounts	51
Statement pursuant to Section 212	62
Balance Sheet Abstract and Company's General Business Profile	63
Auditor's Report on Consolidated Financial Statements	65
Consolidated Balance Sheet	66
Consolidated Profit and Loss Account	67
Consolidated Cash Flow Statement	68
Schedules to Consolidated Accounts	70
Notes to Consolidated Accounts	80

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. A. B. M. Good	Chairman
Mr. Peter Kerkar	Executive Director
Ms. Urrshila Kerkar	Executive Director
Mr. Pesi Patel	Independent Director
Mr. M. Narayanan	Independent Director
Mr. S.C. Bhargava	Independent Director

### BOARD COMMITTEES

#### Audit Committee

Mr. M. Narayanan	Chairman
Mr. A. B. M Good	Member
Mr. Pesi Patel	Member
Mr. S. C. Bhargava	Member

#### Remuneration Committee

Mr. Pesi Patel	Chairman
Mr. M. Narayanan	Member
Mr. A.B. M. Good	Member
Mr. Peter Kerkar	Member

#### Shareholders' / Investors Grievances Committee

Mr. Pesi Patel	Chairman
Mr. A. B. M Good	Member
Mr. S. C. Bhargava	Member
Mr. M. Narayanan	Member

#### Finance Committee

Ms. Urrshila Kerkar	Chairperson
Mr. Peter Kerkar	Member
Mr. Arup Sen	Member
Mr. S. C. Bhargava	Member
Mr. Anil Khandelwal	Member

### AUDITORS

M/s. Chaturvedi & Shah  
Chartered Accountants

### CHIEF FINANCIAL OFFICER

Mr. Anil Khandelwal

### COMPANY SECRETARY

Ms. Rashmi Jain

### BANKERS

Axis Bank  
Deutsche Bank  
Allahabad Bank  
Central Bank of India  
Uco Bank

### REGISTRAR & SHARE TRANSFER AGENTS

Karvy Computer Share Pvt. Ltd.  
Plot No. 17 to 24, Vithalrao Nagar, Madhapur,  
Hyderabad - 500 081, Andhra Pradesh, India  
Tel: + 91 40 23420815 Fax: +91 40 23420814  
Email: einward.ris@karvy.com  
Website: www.karvy.com

### REGISTERED OFFICE

1<sup>st</sup> Floor, Turner Morrison Building,  
16 Bank Street, Fort, Mumbai-400 001.  
Tel: +91 22 22709100 Fax: + 91 22 22709161  
Email: investors@coxandkings.com  
Website: www.coxandkings.com

## CHAIRMAN'S MESSAGE

### **Dear Shareholders,**

On behalf of the Board of Directors, I would like to extend a very warm welcome to all of you. At the outset, we would like to thank each of you for the overwhelming response to our IPO which was subscribed 5.64 times as indicated on the National Stock Exchange website.

Your Company has demonstrated its leadership in this past year initiating new projects and engagements across geographies. This is significant given that in spite of the challenging global economic scenario, your Company grew to exceed its set targets in the last 12 months.

The tourism industry has grown at a rapid pace and contributes a significant amount in terms of both GDP and employment opportunities in several countries. The Global Travel & Tourism industry is expected to directly account for 3.2% of the total world GDP or USD 1,986 billions in 2010. The industry also has an indirect impact on several other industries, such as tourism infrastructure, in the broader economy. Overall the Travel & Tourism economy GDP (direct and indirect) is expected to grow at 0.5%, clocking USD 5,751 billion in 2010, or contribution of 9.2% of the total world GDP and 8.1% of the total employment. In India, tourism is one of the largest service industries with a contribution of 6.23% to GDP and 8.78% of the total employment. According to World Travel and Tourism Council, India will be a tourism hot spot from 2009 to 2018, having the highest ten year growth potential. The contribution of travel and tourism to India's GDP is expected to reach USD 187.3 billion by 2019 from the current USD 6.73 billion in March 2010. Inbound travel has also picked up and according to the Ministry of Tourism, foreign tourist arrivals during the period January-June 2010 were 26.32 lacs with a growth rate of 10.8%, as compared to the corresponding period last year.

For the financial year end-March 2010; your company had set new performance benchmarks. The CAGR of consolidated net sales over past four years in the year 2010 was 59.49%. The EBITDA and PBT grew with a CAGR of 65.88% and 75.21% respectively over the past four years. The CAGR of PAT was 84.59% over past four years in March 2010. The Board of Directors of your company has recommended a dividend of Re.1 per share.

During the year 2009-2010, your Company acquired My Planet and Bentours in Australia. In March 2010, it launched its luxury train, Maharajas' Express in collaboration with the Indian Railways Catering and Tourism Corporation Ltd (IRCTC). This joint venture called, Royale Indian Rail Tours Ltd., is a 50:50 venture between your Company and IRCTC.

The current financial year too looks promising with all the segments of travel, be it Inbound, Outbound, Domestic, Corporate Travel, Trade Fairs, Meetings, Incentives, Conferences and Exhibitions continuing to grow.

We continue to focus on consolidation and expansion, which will maximize value to our customers and shareholders.

You will be proud to know that your Company has won an impressive string of awards during the year. In January 2010, it won the Most Admired Tour Operator Award at SATTE 2010, in New Delhi. In 2009 it won the Best Domestic Tour Operator, Most Innovative Travel Company and the Best Inbound Tour Operator Award at the TAFI-Travel Biz Monitor Awards. It won the Today's Traveller Platinum Award for the most Innovative Travel Company and has won The Economic Times Award for the

best Outbound Tour Operator in India. With so many feathers in our cap, I am confident that we will continue the journey with the same zeal and commitment in the years ahead.

In conclusion, I would like to extend my sincere gratitude to all employees of Cox & Kings for their valuable participation and contribution. And to you for being our support through thick as well as thin.

**With warm regards**

**A.B.M. Good**  
**Chairman**

## FINANCIAL HIGHLIGHTS OF CONSOLIDATED ACCOUNTS

(Rs. in Lacs)

Particulars	FY08	FY09	FY10
<b>Operating Profits</b>			
Net Sales	18,213.77	28,690.02	39,915.41
EBITDA	7,300.97	12,246.77	18,643.68
PBT	6,689.45	9,828.43	18,650.52
PAT	4,201.23	6,280.85	13,384.99
Net Cash Profit	4,838.58	7,237.79	14,892.17
<b>Financial Position</b>			
Gross Fixed Assets	8,773.84	12,766.18	15,416.34
Net Fixed Assets	5,543.08	8,178.84	9,262.12
Net Worth	16,532.34	22,736.51	80,803.64
Tangible Net Worth	15,081.74	9,644.28	55,914.51
<b>Profitability Ratios</b>			
EBITDA Margin (%)	40%	43%	47%
PBT Margin (%)	37%	34%	47%
PAT Margin (%)	23%	22%	34%
Return on Net Worth (%)	50%	49%	32%
Return on Capital Employed (%)	28%	27%	22%
<b>Key Financial Ratios</b>			
Debt /Equity	0.78	1.56	0.62
Current Ratio	1.97	2.55	5.54
Interest Coverage Ratio	13.40	6.36	8.47
Dividend (in %)	2%	2%	10%
Dividend	65.34	65.34	733.74
EPS (in Rs.)	26.46	14.49	26.13
Book Value (in Rs.)	59.20	81.42	128.42

## DIRECTORS' REPORT

### Dear Shareholders,

Your Company's Directors are pleased to present the 70<sup>th</sup> Annual Report of the Company along with the audited accounts for the year ended March 31, 2010.

### Financial Performance

(Rs. in Lacs)

	Standalone Results	
	2009-10	2008-09
Net Sales & Other income	18,203	16,137
Profit before Taxation	7,550	6,091
Provision for Taxation	2,543	2,270
Profit After Tax	5,006	3,822
Proposed Dividend (inclusive of dividend tax)	734	65
Earnings Per Share (Rs.)	9.77	8.82

### Dividend

Your Directors are pleased to recommend a Dividend of 10% (Re. 1/- per equity share of Rs. 10/- each) to be appropriated from the profits of the year 2009-10 subject to the approval of the shareholders at the ensuing Annual General Meeting. The Dividend will be paid in compliance with applicable regulations.

The dividend, if declared as above, would involve an outflow of Rs. 629.23 Lacs towards dividend and Rs. 104.51 Lacs towards dividend tax, resulting in a total outflow of Rs. 733.74 Lacs.

The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term performance, keeping in view the Company's need for capital for its growth plans and the intent to finance such plans through internal accruals to the maximum.

### Change of Name

In the past few years, your Company has expanded its business across many countries and has now attained the status of being a global company with significant presence in various Countries. To reflect its true status, the name of your Company has changed to Cox & Kings Limited.

A fresh Certificate of Incorporation was received from the Registrar of Companies dated 29<sup>th</sup> July 2010 pursuant to the change of name of the Company from Cox and Kings (India) Limited to Cox & Kings Limited.

### Change in Capital Structure

#### Rights Issue

The Company, on 25<sup>th</sup> June 2009, opened the Rights issue of 19,547,682 equity shares with a face value of Rs. 10/- each for cash aggregating to Rs. 19,5476,820/- to the existing shareholders of the Company on Rights Issue basis in the ratio of 7 Rights equity shares for every 10 equity shares held on the record date i.e. 19<sup>th</sup> June 2009. The issue was successfully closed on 22<sup>nd</sup> July 2009.

#### Initial Public Offering

During the year under review, your Company successfully completed the Initial Public Offering of its securities. The issue comprised of 18,496,640 equity shares (15,450,000 being the fresh issue of equity shares and 3,046,640 being the offer for sale) of Rs. 10/- each at a premium of Rs. 320 per share. The issue was over-subscribed by 5.64 times. The shares were listed on Bombay Stock Exchange Limited and National Stock Exchange Limited on 11<sup>th</sup> December 2009.

Accordingly, following shares were allotted during the year under review:

(In Rs.)

Sr. No	Details of Issue	No. of shares allotted	Premium	Equity Capital Post Issue
1.	Rights Issue	19,547,682 equity shares	Nil	474,729,420
2.	Public Issue	15,450,000 equity shares	320	629,229,420

#### Utilisation of IPO Proceeds

As on March 31, 2010, amount raised through public issue has been utilised by the Company toward the following objects of the issue:

(Rs. in Lacs)

Sr. No.	Particulars	Utilisation
1	Repayment of Loans	8,470.00
2	Acquisitions & Other Strategic Initiatives	1,600.00
3	Investment in Overseas Subsidiaries	887.00
4	Investment in Corporate Office & Upgrading our existing Operations	203.00
5	General Corporate Purposes	4,557.00
6	Meeting Fresh Issue related Expenses	5,817.38
	<b>Total</b>	<b>21,534.38</b>

Pending utilisation, the balance proceeds have been temporarily invested in Mutual Funds, Fixed Deposit and Bank Accounts.

## DIRECTORS' REPORT (CONTD.)

### Credit Rating

Credit Analysis & Research Ltd (CARE), the Rating Agency, has reaffirmed 'PR1+ (PR One plus)' to Commercial Paper (CP) issue of the Company amounting to Rs. 150 crore, for a maturity not exceeding one year. Instruments with this rating indicate strong capacity for timely payment of short-term debt obligations and carry lowest credit risk.

CARE has also revised the long term rating to 'CARE AA — (Double A minus)' to Non - Convertible Debenture (NCD) issue of the Company amounting to Rs. 300 crore. Instruments with this rating indicate high safety for timely servicing of debt obligations and carry very low credit risk.

### Subsidiary Companies

Ministry of Corporate Affairs, Government of India has granted approval that the requirement to attach various documents in respect of subsidiary companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956, shall not apply to the Company. Accordingly, the Audited Statements of Accounts and the Auditors' Reports thereon for the year ended 31<sup>st</sup> March 2010 along with the Reports of the Board of Directors of the Company's subsidiaries have not been annexed. The Company will make available these documents upon request by any member of the Company interested in obtaining the same. However, as directed by the Central Government, the financial data of the subsidiaries have been furnished under 'Subsidiary Companies' Particulars forming part of the Annual Report. Further pursuant to Accounting Standard 21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiaries.

### Investments in direct subsidiaries

As on 31<sup>st</sup> March, 2010 your Company had invested an aggregate of Rs. 5273.56 Lacs as loan, in its direct subsidiaries Cox & Kings Ltd, UK, Cox & Kings Singapore Private Limited, Clearmine Limited UK, Quoprrro Global Services, UK, Quoprrro Global Services Private Limited and Cox & Kings (Australia) Pty Ltd.

### Incorporation of New Subsidiaries

During the year under review, your Company has invested Rs. 22.22 Lacs in Quoprrro Global Services UK, a 100% subsidiary of the Company. The main object of Quoprrro Global Services UK is to provide comprehensive visa processing services to diplomatic missions.

### Mergers and Acquisitions

Your Company continued to pursue the strategy of acquiring businesses which complement our service offerings, provide access to niche skill sets and expand our presence in select geographies.

In April 2009, we completed acquisition of East India Travel Company Inc, which is in the business of selling upmarket tour and travel packages in the United States of America. East India Travel Company Inc was acquired by our step-down subsidiary in UK, Cox & Kings Travel Limited.

In December 2009, Cox & Kings (Australia) Pty Ltd, a wholly owned subsidiary of the Company has acquired 100% shares of My Planet Australia Pty Limited & Bentours International Pty Limited, through share sale agreement from First Choice Holdings Australia Pty Ltd, a European tourism group which is part of the TUI Travel Plc Group of Companies. The acquisition has been done through an earn-out mechanism. The business of the acquired companies is currently trading under the brand MyBentours for its wholesale FIT & leisure groups to Scandinavia and has a well-established retail operation.

All the subsidiaries of the Company are unlisted and none of them are material unlisted subsidiaries as per Clause 49 of the Listing Agreement.

### Consolidated Financial Statements

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures, the Consolidated Financial Statements are provided in the Annual Report.

### Directors' Re-appointment

Articles of Association of the Company provide that at least two-thirds of our Directors shall be subject to retirement by rotation. One third of these retiring Directors must retire from office at each Annual General Meeting of the shareholders. A retiring Director is eligible for re-election. Ms. Urrshila Kerkar and Mr. S.C. Bhargava, retire by rotation and being eligible offer themselves for reappointment at this Annual General Meeting.

Your Directors recommend their re-appointment at the ensuing Annual General Meeting.

### Auditors and Auditors' Report

M/s. Chaturvedi & Shah, Chartered Accountants, Statutory Auditors of the Company, hold office



## DIRECTORS' REPORT (CONTD.)

until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for the re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment, if made, would be in accordance with Section 224 (1B) of the Companies Act, 1956.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

### Group

Pursuant to intimation from the Promoters, the names of the Promoters and entities comprising "group" are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

### Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts for the year ended March 31, 2010, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and that no material departures are made from the same;
- b) the Directors have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the Directors have prepared the annual accounts of the Company on 'a going concern basis'.

### Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any

member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

### Management's Discussion and Analysis Report

The Management's Discussion and Analysis on Company's performance – industry trends and other material changes with respect to the Company pursuant to Clause 49 of the Listing Agreement is presented in a separate section forming part of the Annual Report.

### Corporate Social Responsibility

Corporate Social Responsibility (CSR) encompasses much more than social outreach programs and is an integral part of the way the Company conducts its business. Detailed information on the initiative of the Company towards CSR activities is form part of this report.

### Corporate Governance

Your Company believes Corporate Governance is at the heart of Shareholder value creation. The Board has also evolved and adopted a Code of Conduct based on the principles of Good Corporate Governance and best management practices being followed globally. The code is available on the website of the Company [www.coxandkings.com](http://www.coxandkings.com). A report on the Corporate Governance in term of clause 49 of the Listing Agreement with Stock Exchanges along with the Auditors' Certificate on its compliance forms part of this report.

### Fixed Deposits

Your Company has not accepted any fixed deposits within the meaning of Section 58(A) of the Companies Act, 1956 during the year.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company has no activity relating of conservation of energy or technology absorption.

The Company continued to be a net foreign exchange earner during the year.

The figures for the foreign exchange earnings and outgo are as follows;

Foreign Exchange Earnings:  
Rs. 10,008.27 Lacs (Previous Year- Rs. 12,972.77 Lacs)

Foreign Exchange Outgo:  
Rs.344.31 Lacs (Previous Year- Rs. 261.65 Lacs)

(Other than in the normal course of the business)

## DIRECTORS' REPORT (CONTD.)

as Tour Operator and Foreign Exchange Restricted Authorised Dealer)

### **Awards and Recognition during the year under review:**

1. "First Runner Up" in the Best Large Tour Operator category awarded by the Telegraph Ultra Travel luxury survey UK 2010.
2. "First Runner Up" in the Favourite Tour Operator category awarded by Condé Nast Traveller Readers' Choice Awards (2010).
3. "Most Admired Tour Operator 2010" awarded by SATTE (2010)
4. "Best Domestic Tour Operator" awarded by the Abacus TAFI TravelBiz Monitor Awards (2009).
5. "Best Inbound Tour Operator" awarded by the Abacus TAFI TravelBiz Monitor Awards (2009).
6. "Most Innovative Product Launch" awarded by the Abacus TAFI TravelBiz Monitor Awards (2009).
7. "India's Top Rated Tour Operator – Outbound 2009" awarded by The Economic Times, India's largest business daily.

8. "Most Innovative Travel Company of 2009" awarded by Today's Traveller Platinum Award.

### **Acknowledgements and Appreciation**

Your Directors take this opportunity to thank all investors, customers, vendors, banks/financial institutions, regulatory and government authorities and Stock exchanges for their consistent support and encouragement to the Company. The Directors also place on record their sincere appreciation to all employees of the Company for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the Industry.

### **For and on behalf of the Board of Directors**

**A.B.M. Good**  
Chairman

Mumbai, 29th May 2010

## GROUP

The names of the Promoters and entities comprising “group” as defined under the Monopolies and Restrictive Trade Practices (“MRTP”) Act, 1969 read with Section 3(1)(e)(i) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 are disclosed below:

<b>Sr. No</b>	<b>Name</b>	<b>Shares held</b>
1	Mr. A.B.M. Good	3,019,916
2	Mr. Peter Kerkar	1,372,336
3	Ms. Urrshila Kerkar	2,279,800
4	Ms. Elizabeth Kerkar	637,200
5	Liz Investments Private Limited	6,881,664
6	Sneh Sadan Graphics Services Limited	16,676,684
7	Kubber Investments (Mauritius) Private Limited	9,173,280

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Cautionary Statement

Statements in Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

### Overview

Cox & Kings (C&K) is a large global travel and tours company with operations in 20 countries around the world. C&K is one of the largest travel and tour companies in India and have significant operations in United Kingdom, Australia, Dubai, Japan and the United States. C&K offers a wide range of products and services for the travel and tourism industry through its broad distribution network and global reach, and provide comprehensive travel and tourism solutions for individuals and group leisure travellers.

C&K's core business is the sale of packages for leisure travel where two or more components of travel, such as flights, hotels, car rentals, transfers and ground handling services, are bundled together in advance and sold to customers. C&K solutions include land, air and cruise ticketing services, hotel reservations services, in-transit arrangements, local sightseeing services, visa, passport and medical insurance assistance and other destination management services, and travel related foreign exchange and payment solutions. C&K also has recently undertaken initiatives to further strengthen its brand and access new customers. For example, in December 2008 C&K formed a Joint Venture with IRCTC to operate a luxury train called *Maharajas' Express*, which was launched in March 2010.

C&K's business is organized under the following four service offerings: (i) Leisure Travel; (ii) Corporate Travel; (iii) Visa Processing; and (iv) Foreign Exchange.

*Leisure Travel.* Leisure Travel is the core business, through which C&K provides both outbound travel and inbound travel services. C&K outbound travel services principally involve its customers in India, the United Kingdom, Australia, Japan, Dubai and the United States travelling on leisure packages to overseas

destinations. C&K inbound travel services include destination management services covering all aspects of ground tour arrangements, primarily for customers travelling into India, Europe and Dubai. The Company also offers domestic leisure packages for customers in India seeking leisure travel within the country. Leisure Travel contributes a significant part of C&K's consolidated revenues.

*Corporate Travel.* C&K offers customized business travel solutions to its corporate clients in India through a team of dedicated corporate relationship managers. It provide corporate travel services in India to more than 200 companies, both domestic and multinational.

*Visa Processing.* C&K provides visa processing services as an outsourced business solution to diplomatic missions in various countries, including in Germany, Greece, Hong Kong, the U.K. and Singapore, where C&K is the provider of visa processing services for inbound travellers to India.

*Foreign Exchange.* C&K provides foreign exchange services to its customers in India as a licensed Category II Authorized Dealer. It provides foreign exchange services either as part of Leisure Travel and Corporate Travel packages or on a standalone basis.

C&K operates in 20 countries through its Company, its subsidiaries, branch offices and representative offices, as well as through global network of sales agents. C&K also is a shareholder member of Radius, a consortium of leading travel agents present in more than 3,600 locations across approximately 80 countries.

C&K's consolidated revenues in the year ended March 31, 2010 was Rs.44,126.83 lacs while consolidated net profit was Rs.13,384.99 lacs.

### Recent Acquisitions

C&K has grown rapidly through acquisitions in recent years. As part of its growth strategy, C&K continuously looks for acquisition opportunities to increase the breadth of its product offerings, provide synergies with its existing operations and expand its global presence.

The following table sets forth information relating to investments made in other companies during the year:

Name of our Subsidiary	Country of Origin	Effective date of control / acquisition	Mode of Control / Acquisition	Consideration
East India Travel Company Inc.	United States	09-Apr-09	this company was acquired through our subsidiary Cox & Kings Travel Limited for Cash Consideration USD 22Mn	
Quoprro Limited, UK	United Kingdom	28-Aug-09	Incorporated as a Subsidiary under FDI route. Equity participation Rs. 2.2 Million	

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTD.)

Name of our Subsidiary	Country of Origin	Effective date of control / acquisition	Mode of Control / Acquisition	Consideration
MyPlanet Australia Pty Ltd	Australia	24-Dec-09	Acquired by Cox & Kings (Australia) Pty Ltd. The consideration is based on earn-out mechanism	
Bentours International Pty Ltd	Australia	24-Dec-09	Acquired by Cox & Kings (Australia) Pty Ltd. The consideration is based on earn-out mechanism	

### Trends

The travel industry, including offline agencies, online agencies and suppliers of travel products and services, has been characterized by intense competition, as well as rapid and significant change. In addition, beginning in late 2008, global economic and financial market conditions worsened markedly, creating uncertainty for travellers and suppliers. This macroeconomic downturn has pressurised discretionary spending on travel and advertising, with initial weakness in the United States and the United Kingdom markets increasing and spreading to most parts of the world. However, there have been clear signs of recovery in 2010, and industry reports have indicated that future growth prospects for industry remain strong. For example, according to the 2010 WTTC report, the global travel and tours industry is expected to grow by 3.2% in 2011 and at a compounded rate of 4.4% in the ten year period ending 2020.

### Factors Affecting Our Results of Operations

C&K's financial condition and results are affected by numerous factors, some of them being the following:

#### ***Ability to grow our product portfolio and add new destinations***

C&K's results of operations are significantly dependent on ability to grow its product portfolio and add new destinations to leisure packages. C&K has entered into strategic partnerships with various travel partners to achieve this in the past. For example, it has partnered with the Royal Horticultural Society, the Natural History Museum and the John Lewis Partnership in the United Kingdom. C&K also has partnered with various tourism boards, such as those of South Korea and Finland to market these destinations to Indian travelers. These strategic partnerships have expanded C&K's product offerings and added new destinations to its portfolio, all of which positively impacted its results of operations even during the recent global economic slowdown. C&K has also set up destination management operations in new markets to capture larger share of customers' spending and also to enhance the overall travel experience. In addition, it has undertaken various strategic initiatives, such as *Maharajas' Express*, to expand its product and service offerings. C&K's ability to continue growing its product and destination portfolio in the future is a significant factor affecting its results of operations.

#### ***Negotiation of favorable rates with travel suppliers through consolidated buying efforts***

An important component of C&K's business success depends on its ability to maintain and expand relationships with travel suppliers and GDS partners. In 2008, C&K commenced its consolidated buying efforts for its global operations. C&K believes that this initiative has enhanced its bargaining power with its vendors, thereby generating significant cost savings. C&K's ability to negotiate favourable rates with travel suppliers and GDS partners in the future will affect its profitability as well as its ability to grow its market share by offering cost competitive travel and tours products.

#### ***Maintaining and enhancing our brand awareness***

C&K believes that continued investment in its brand is critical for retaining and expanding its traveler, supplier and advertiser bases. C&K has spent and expect to continue having to spend more to maintain its brand's value due to a variety of factors. These include increased spending by its competitors, the increasing costs of supporting multiple brands, expansion into geographies and products where its brands are less well known, and inflation in media pricing. C&K has spent considerable financial and human resources to date on the establishment and maintenance of its brands, and it will continue to invest in, and devote resources to, advertising and marketing, as well as other brand building efforts to enhance consumer awareness of its brands. C&K believes that heightened brand awareness will enable it to expand its distribution network by significantly reducing entry barriers in new markets.

#### ***Ability to integrate our acquisitions globally***

As part of its growth strategy, C&K has grown rapidly through acquisitions in recent years to increase the breadth of its product offerings, provide synergies with its existing operations and expand the global presence. The challenges involved in integration of acquired companies include: combining product and service offerings and entering into new markets; consolidating and maintaining relationships with customers and distributors; consolidating and rationalizing corporate IT infrastructure; integrating employees and managing employee issues; coordinating and combining administrative and other operations, subsidiaries, and relationships with

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTD.)

third parties in accordance with applicable laws and other obligations while maintaining adequate quality standards in its service achieving savings from travel supply chain integration; and managing other business, infrastructure and operational integration issues.

### **Ability to attract, retain and motivate our employees**

In C&K's business, human resources are the largest driver of profitability. Personnel costs form its highest single expense item, and therefore is a key factor affecting results of operations. In order to be successful, C&K attracts, trains, motivates and retain highly skilled personnel. Hiring and retaining qualified sales representatives is critical to its future results of operations.

### **Competition**

The market for the tour operator services that C&K offers is increasingly and intensely competitive. C&K competes with both established and emerging sellers of travel-related services, including traditional tour operators and travel agencies, online travel agencies, travel suppliers and large online portals. C&K believes that its significant presence in India, the strength of its brand and its global operations offer significant competitive advantages in the markets in which it operate.

### **Critical Accounting Policies**

C&K's consolidated financial statements have been prepared in accordance with the Accounting Standard-21 "Consolidated Financial Statement" and Accounting Standard-27 "Financial reporting of Interest in Joint Ventures" issued by the ICAI/ Companies (Accounting Standards) Rules, 2006.

While all aspects of financial statements should be read and understood in assessing C&K's current and expected financial condition and results of operations, C&K believes that the following critical accounting policies warrant particular attention.

### **Revenue**

In line with generally accepted accounting practices, revenue comprises 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 C&K's business as an authorised dealer. The income arising from the buying and selling of foreign currencies has been included on the basis of margins achieved.

### **Revenue Recognition**

In accordance with the Company's accounting policy, commissions and/or income arising from tours and related services is recorded after netting off all direct expenditures relating thereto.

### **Expenditure**

All general business expenditure is recorded in the year in which it is incurred. All direct tour related expenses including advertisement expenses for specific tours are recorded in the year in which the tours are undertaken.

### **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 include "customer data base and contacts" which are stated at the valued amounts and software, which is stated at cost.

### **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.

### **Inventory**

Inventory represents stock of foreign currencies, which we value at the lower of cost and realizable value as at the year-end.

### **Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded at spot rates / average rates. Monetary items denominated in foreign currencies at the year end are restated at year end rates. Non monetary foreign currency items are carried at cost.

- In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximate the actual rate on the date of transaction. Branch monetary assets and liabilities are restated at the year end rates.
- Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.

### **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.

### **Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTD.)

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.

### Income and Expenditure Overview

#### Income

##### Commission and other operating income

C&K's principal source of income is the fees it earns from selling travel services. The commission and other operating income consists mainly of net sales (gross sales less direct expenses like air tickets, hotels, ground services and distribution commissions) earned from providing tour and travel services to foreign inbound tourists visiting India, domestic tourists travelling within India, and Indian outbound tourists travelling abroad as well as providing ticketing and foreign exchange services to its corporate travellers. C&K also derives revenues from various travel related services, including visa processing fees and travel insurance commissions.

The following table sets forth the breakdown of C&K's revenue by geographic segment, for the year ended March 31 2010 and March 31, 2009.

*Rs. in lacs*

	<u>2010</u>	<u>2009</u>
<b>Revenues</b>		
India	17,587.92	14,651.68
Rest of the world	22,327.48	13,180.60

##### Other Income

Other income includes foreign exchange gains from the revaluation of borrowings, interest earned from fully convertible debentures, interest earned from bank deposits and miscellaneous income.

#### Expenditure

##### Personnel expenses

Personnel expenses are the largest component of C&K's expense. 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 include rent, electricity expense, insurance, communication and courier expenses, printing and stationery, legal and professional fees, travelling and conveyance, advertisement, publicity and business promotion, computer expenses, security expenses, foreign exchange losses from the revaluation of borrowings, and other miscellaneous expenses.

##### Interest and finance charges

C&K incurs interest and finance charges on its indebtedness.

##### Depreciation

Depreciation includes depreciation on computers and printers, electrical installations and fittings, office equipment, furniture and fixtures, leasehold improvements, vehicles, database and software.

### RESULTS OF OPERATIONS

#### Year ended March 31, 2010 compared to year ended March 31, 2009

C&K acquired a U.S. based subsidiary, East India Travel Company, Inc ("East India Travel") in April 2009, and acquired two subsidiaries in Australia, My Planet (Australia) Pty Limited and My Ben Tours (Australia) Pty Limited, in December 2009. In addition, it benefitted from a full year of operations from some of the acquisitions it had completed in fiscal 2008. These acquisitions significantly improved C&K's results in fiscal 2010 versus the previous year.

##### Income

C&K's income increased by 50.32% to Rs.44,126.83 lacs in the year ended March 31, 2010 from Rs.29,356.14 lacs in the year ended March 31, 2009.

##### Commission and other operating income

C&K's operating income in the year ended March 31, 2010 increased by 39.13% to Rs.39,915.40 lacs in the year ended March 31, 2010 from Rs.28,690.02 lacs in the year ended March 31, 2009. The increase in operating income was attributable principally to a 40.17% increase in travel and tours commissions to Rs.39,012.58 lacs in the year ended March 31, 2010 from Rs.27,832.28 lacs in the year ended March 31, 2009. The increase in travel and tours commissions was attributable primarily to the following reasons: (i) higher net income because of C&K's ability to undertake consolidated buying efforts in the year ended March 31, 2010; and (ii) revenues from C&K's subsidiaries in Australia (Tempo Holidays) and the United States (East India Travel) that it acquired in November 2008 and April 2009, respectively.

##### Other income

Other income increased by 532.28% to Rs.4,211.43 lacs in the year ended March 31, 2010 from Rs.666.12 lacs in the year ended March 31, 2009. This increase was attributable primarily to foreign exchange gain from the revaluation of borrowings by our Australian subsidiary, Cox & Kings (Australia) Pty Limited.

##### Expenditure

C&K's expenditure increased by 30.46% to Rs. 25,476.31 lacs in the year ended March 31, 2010 from Rs.19,527.71 lacs in the year ended March 31, 2009.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTD.)

**Personnel expenses**

Personnel expenses in the year ended March 31, 2010 increased by 25.74% to Rs.9,940.77 lacs from Rs.7,905.76 lacs in the year ended March 31, 2009. This increase was attributable primarily to a 22.00% increase in salaries, wages, bonus and allowances to Rs.8,812.14 lacs in the year ended March 31, 2010 from Rs.7,223.24 lacs in the year ended March 31, 2009. The increase in salaries, wages was attributable to increase in staff strength as well as a general increments in salaries for the existing employees. The rate of increase in personnel expenses was lower than rate of increase in operating income because growth in income from consolidated buying efforts was not accompanied by a corresponding cost increase in personnel expense.

**Other expenses**

Other expenses increased by 30.96% to Rs.11,330.95 lacs in the year ended March 31, 2010 from Rs.8,651.67 lacs in the year ended March 31, 2009. This increase was attributable primarily to increases in travelling and conveyance expenses of Rs.698.65 lacs, increase in legal and professional fees of Rs.569.85 lacs, increase in rent expenses of Rs.371.01 lacs, and increase in advertisement, publicity and business promotion expenses of Rs.239.77 lacs, in each case for the year ended March 31, 2010 compared to the year ended March 31, 2009. The increase in travelling and conveyance expenses, and legal and professional fees was attributable to our significant acquisition activities undertaken during the year ended March 31, 2010.

**Interest and finance charges**

Interest and finance charges increased by 33.98% to Rs.2,697.41 lacs in the year ended March 31, 2010 from Rs.2,013.33 lacs in the year ended March 31, 2009. The increase in interest and finance charges was attributable to increased borrowings in the year ended March 31, 2010 to finance our acquisitions in Australia and the United States.

**Depreciation**

Depreciation increased by 57.47% to Rs.1,507.18 lacs in the year ended March 31, 2010 from Rs.956.95 lacs in the year ended March 31, 2009. The increase was due, in large part, to office expansion as well as new premises that was acquired as part of our acquisitions of Tempo Holidays Australia Pty Ltd and East India Travel Company Inc.

**Profit before tax**

For the reasons discussed above, profit before tax in the year ended March 31, 2010 increased by 89.68% to Rs.18,650.52 lacs from Rs.9,828.43 lacs in the year ended March 31, 2009.

**Provision for taxation**

Provision for taxation increased by 48.22% to Rs.5,167.3 lacs in the year ended March 31, 2010 from Rs.3,488.86 lacs in the year ended March 31,

2009. The increase was attributable mainly to an increase in current tax of Rs.1,225.52 lacs and an increase in deferred tax of Rs.536.7 lacs, in each case in the year ended March 31, 2010 compared to the year ended March 31, 2009. The increase was in line with C&K's growth in consolidated income in the year ended March 31, 2010.

**Profit after tax for the year**

Profit after tax for the year ended March 31, 2010 increased by 113.10% to Rs.13,384.99 lacs from Rs.6,280.84 lacs in the year ended March 31, 2009.

**LIQUIDITY AND CAPITAL RESOURCES**

C&K finances its working capital requirements primarily through funds generated from operations as well as from secured and unsecured debt financing from banks and financial institutions to meet its capital requirements.

**Cash Flows**

The following table sets forth certain cash flows for the periods indicated: (Rs. in Lacs)

	Year ended March 31,	
	2010	2009
Net cash from (used in) operating activities	5,121.75	(9,586.65)
Net cash from (used in) investing activities	(33,992.23)	(13,841.71)
Net cash from financing activities	59,119.07	20,373.14
Net increase (decrease) in cash and cash equivalents	30,248.59	(3,055.22)

**Cash flows from Operating Activities**

Net cash generated from operating activities of Rs.5,121.75 lacs for the year ended March 31, 2010 consisted of net profit before tax of Rs.18,650.52 lacs, a net upward adjustment of Rs.637.92 lacs relating to various items, and a net downward working capital adjustment of Rs.8,327.29 lacs, less income taxes paid of Rs.5,839.40 lacs.

Working capital adjustments were attributable principally to an increase in trade receivables of Rs. 5,798.85 lacs and a decrease in current liabilities of Rs. 2,122.13 lacs. The increase in trade receivables was because of increased trade volumes in the year ended March 31, 2010. Because C&K's balance sheet line items are based on gross sales (unlike our income statement line items, which are based on net sales) our receivables tend to be relatively high.

**Cash Flows from Investing Activities**

Net cash used in investing activities for the year ended March 31, 2010 was Rs.33,992.23 lacs, comprising primarily investments in subsidiaries of Rs.10,098.58



lacs (attributable principally to its acquisition of East India Travel Inc.), the net purchase of investments of Rs.21,345.88 lacs attributable to liquid debt instruments, including mutual funds, as well as the purchase of fixed assets of Rs.2,113.65 lacs.

### **Cash Flows from Financing Activities**

Net cash generated from financing activities in the year ended March 31, 2010 was Rs.59,119.07 lacs, comprising primarily the proceeds from an initial public offering of C&K's shares of Rs.50,980 lacs, an increase in borrowings of Rs.15,017.63 lacs and proceeds from a rights issue of shares of Rs.1,950 lacs, offset in part by expenses for initial public offering of Rs.5,817.38 lacs.

### **Contractual obligations**

#### **Indebtedness**

As of March 31, 2010, C&K had total outstanding indebtedness of Rs. 50,432.59 lacs, comprising Rs. 29,459.67 lacs in secured loans, and Rs. 20,972.92 lacs in unsecured loans. Its secured loans principally consists of term loans from banks of Rs.29,400.33 lacs. Its unsecured loans included loans from banks of Rs.13,972.92 lacs, and non convertible debentures issued by it of Rs.7,000 lacs.

C&K's loans comprise a mixture of floating and fixed rate obligations, and have been incurred at market interest rates.

### **Contingent Liabilities**

Contingent liabilities as of March 31, 2010 included the following:

<b>Particulars</b>	<b>Amount (Rs. in lacs)</b>
Guarantees provided by banks	12,924.02
Claims against Company not acknowledged as debts	1,279.37
Disputed income Tax	295.67

### **Related Party Transactions**

C&K has entered into transactions with a number of related parties. C&K has not granted any loans to members of the board or our management or provided any guarantees for their benefit. Moreover, C&K does not believe that any of its related party transactions is unusual in its nature or conditions. However, please see Schedule 13(8) of audited consolidated financial statements for information regarding related party transactions as of and for the years ended March 31, 2009 and 2010.

### **Off-Balance Sheet Arrangements**

C&K does not have any off-balance sheet arrangements, derivative instruments or other relationships with unconsolidated entities that would have been established for the purpose of facilitating off-balance sheet arrangements

### **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 and foreign exchange risk and inflation. C&K is exposed to different degrees of these risks in the normal course of its business. C&K is specifically exposed to market risk from changes in interest rates and foreign exchange fluctuation.

#### **Interest Rate Risk**

C&K's financial results are subject to changes in interest rates, which may affect its debt service obligations. C&K currently has floating rate indebtedness and also maintain deposits of cash and cash equivalents with banks and other financial institutions and thus is exposed to market risk as a result of changes in interest rates. Moreover, the interest rates on a significant portion of its indebtedness are subject to floating rates of interest. Upward fluctuations in interest rates would increase the cost of both existing and new debts. Management expects that in the year ended March 31, 2011 and in future periods, its borrowings will rise substantially in line with growth plans. C&K does not currently use any derivative instruments to modify the nature of its exposure to floating rate indebtedness or its deposits so as to manage interest rate risk.

#### **Foreign Exchange Risk**

Fluctuations in exchange rates have direct impact on business. Strengthening of the 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. C&K also has significant levels of indebtedness denominated in USD, comprising Rs. 31,337.28 lacs as of March 31, 2010. The revenues of overseas subsidiaries are in Pound Sterling, in Japanese Yen, and in Australian Dollars, while India inbound revenues are denominated in U.S. Dollars, Euro and Pound Sterling. Whilst a large portion of the outbound tours in India are charged to the client in the currency that is paid to the contractors, there may be an effect on the profitability as the Company earns profits in Pounds, Yen and Rupees depending on prevalent exchange rates.

C&K reports its financial results in Indian rupees, while portions of its total income and expenses are denominated, generated or incurred in currencies other than Indian rupees, such as U.S. Dollars. To the extent that its income and expenditures are not denominated in Indian rupees, exchange rate fluctuations could affect the amount of income and expenditure that are recorded. Any depreciation of the rupee against the currency in which its has an exposure will increase the rupee costs to the Company of servicing and repaying our expenditure and indebtedness.

## CORPORATE GOVERNANCE REPORT

### A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's Corporate Governance system is based on certain key principles, including fairness and integrity, transparency and disclosure, accountability, equal treatment of all shareholders, and social responsibility. Corporate Governance extends beyond corporate laws. Its fundamental objective is not mere fulfillment of the requirements of law, but also the institution of, and adherence to, systems and procedures ensuring commitment of the Board in managing a company in a transparent manner for the maximisation of long-term shareholder value.

Your Company has adopted an appropriate Corporate Governance framework to ensure timely and accurate disclosure of all material matters, including financial position, performance, ownership, and governance. Significantly, your Company adopted Corporate Governance and Disclosure practices much before these became applicable to it.

Your Company's policies and practices relating to Corporate Governance are discussed in the following sections.

### B. Board of Directors

#### (i) Board Membership Criteria

The members of the Board of Directors of your Company are expected to possess the required expertise, skill, and experience to effectively manage and direct your Company so that it can attain its organisational goals. They are expected to be persons with vision, leadership qualities, a strategic bent of mind, proven competence, and integrity.

Each member of the Board of Directors of your Company is expected to ensure that her/his personal interest does not run in conflict with your Company's interests. Moreover, each member is expected to use her/his professional judgment to maintain both the substance and appearance of independence and objectivity.

#### (ii) Composition of the Board

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors so as to have a balanced Board Structure. The Board has Six Directors. Three Directors, including Chairman, are Executive; and three are Non-Executive independent Directors, therefore the composition of the Board is in consonance with Clause 49.

The composition of the Board of Directors of your Company along with the other Directorships as on March 31, 2010 held by each of the Directors is brought out in the following two tables.

Name of Director*	Position	No. of other Directorships*	No. of other Committee(s) Membership**
Mr. A.B.M. Good	Chairman	17	-
Mr. Peter Kerkar	Director	25	-
Ms. Urrshila Kerkar	Executive Director	10	-
Mr. Pesi Patel	Independent Director	14	-
Mr. M. Narayanan	Independent Director	4	-
Mr. S.C. Bhargava	Independent Director	13	4

\*includes Companies incorporated outside India.

\*\* This includes memberships of audit committee and shareholders/investors' grievances committee and remuneration committee.

#### Details of Directors being re-appointed

As per Article 125 of the Article of Association, 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.

Accordingly, Ms. Urrshila Kerkar and Mr. S.C. Bhargava retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

A brief resume of the Director being re-appointed is as follows:

#### Ms. Urrshila Kerkar

Ms. Urrshila Kerkar, 52 years, is one of the promoter of the Company. She is a graduate in Arts (B.A.) with distinction in Economics and Psychology from Bombay University and holds an associate degree from Pratt University, NY, USA in Graphic Design.

## CORPORATE GOVERNANCE REPORT (CONTD.)

Prior to joining Cox and Kings 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 the 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 Outbound Leisure and Domestic Leisure business and is the driving force behind the Company's IT vision. As an acknowledgement of her valuable contribution to the 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 the 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 Board in the annual general meeting of Company held on September 19, 2007 for a period of five years with effect from September 1, 2007.

Ms. Urrshila Kerkar holds 2,279,800 shares in the Company. Her directorship, committee membership of other companies in India as on 31<sup>st</sup> March 2010 is as follows:

Name of Company	Position	Committee Membership
Ezeego One Travel & Tours Ltd.	Director	-
Far Pavilions Tours & Travels Pvt. Ltd.	Director	-
Forever Travel Distribution Pvt. Ltd.	Director	-
Royale Indian Rail Tours Limited	Director	-
Quoprrro Global Services Private Limited	Director	-

### Mr. Subhash Chandra Bhargava

Mr. Subhash Chandra Bhargava, 64 years, is a non-executive, independent director on the 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 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 for a reputed clientele including Banks and Financial Institutions. He has been appointed as a director on the Board in the annual general meeting of our Company held on September 29, 2008.

Mr. Bhargava does not hold any shares in the Company. His directorship, committee membership of other companies in India as on 31<sup>st</sup> March 2010 is as follows:

Name of Company	Position	Committee Membership
Aditya Birla Nuvo Ltd	Director	-
DCM Shriram Consolidated Ltd	Director	-
Escorts Ltd	Director	-
Swaraj Engine Ltd	Director	-
Jaiprakash Associated Ltd	Director	-
Mudra Lifestyle Ltd	Director	-
G.K. Industrial Park Pvt Ltd	Director	-
Escorts Construction Equipment Ltd	Director	-
Jay Pee Infratech Ltd	Director	-
Max Mobile Communications Ltd	Director	-
Jaiprakash Power Ventures Limited	Director	-
OTC Exchange of India	Chairman	-
A.K. Capital Services Ltd	Chairman	-
Swaraj Engines Ltd		Member Audit Committee
Mudra Lifestyles Ltd		Chairman Audit Committee Member Shareholders Grievance Committee Member Remuneration Committee

### (iii) Board Meetings

During the year 2009-10, the Board of Directors of your Company met 8 times on May 18 2009, July 6 2009, July 14 2009, July 23 2009, August 10 2009, October 16 2009, December 11, 2009 and January 30, 2010. The last Annual General Meeting was held on August 10, 2009.

Details regarding the attendance of Directors at the Board Meetings and the Annual General Meeting held during the year 2009-10 are presented in the following table.

## CORPORATE GOVERNANCE REPORT (CONTD.)

Director	No. of Board Meetings Held	No. of Board Meetings Attended	Whether Last AGM Attended (Yes/No)
Mr. ABM Good	8	5	Yes
Mr. Peter Kerkar	8	5	Yes
Ms. Urrshila Kerkar	8	8	Yes
Mr. Pesi Patel	8	3	Yes
Mr. M. Narayanan	8	4	No
Mr. S.C. Bhargava	8	8	No

None of the Directors on the Board holds the office of Director in more than 15 companies nor are they members in Committee of the Board in more than 10 Committees or Chairman of more than 5 Committees. Further, there are no pecuniary relations or transactions between the Independent Directors and Company, except for the sitting fees and commission drawn by Non-executive and Independent Directors for attending meeting of the Board and its Committee(s) thereof.

Name of Director	Category	No. of shares held
Mr. Pesi Patel	Independent Director	84452

Apart from the above, none of the Non-Executive (including Independent) Directors hold any shares (as own or on behalf other person on beneficial basis) in the Company.

### (iv) Board Meetings, Board Committee Meetings and Procedures

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long term interests of the shareholders are being served. The Board of Directors is assisted by the Senior Management Personnel in overseeing the functional matters of the Company.

The Board has constituted Audit Committee, Shareholders' /Investors' Grievance Committee and Remuneration /Compensation Committee. The Board is authorized to constitute additional functional Committees, from time to time, depending on the business needs.

The Internal guidelines for Board/Board Committee meetings facilitate the decision making process at the meetings of the Board/Committees in an informed and efficient manner. The following sub-sections deal with the practice of these guidelines.

### (v) Scheduling and selection of Agenda Items for Board Meetings:

Board members are given agenda papers along with necessary documents and information in advance of each meeting of Board and Committee(s). However, in case of business exigencies or urgencies, the resolutions are passed by way of circulation. All divisional/ departments of the Company are advised to schedule their work plans in advance, particularly with regard to matters requiring discussion/ approval/decision at the Board/Committee meetings. All such matters are communicated well in advance to the Company Secretary so that the same could be included in the Agenda for the Board/Committee meetings. In addition to the regular business items, the following item information are regularly placed before the Board:

- General notices of interest of Directors.
- Appointment, remuneration and resignation of Directors.
- Formation/reconstitution of Board Committees.
- Terms of references of Board Committees.
- The minutes of the Board meetings of unlisted subsidiary Companies.
- Minutes of meetings of Audit Committee and other committees of the Board.
- Declaration of independent directors at the time of appointment/annually.
- Annual operating plans and Budgets, Capital budgets updates;
- Quarterly and half yearly results of the Company;
- Information on recruitment and remuneration of senior management just below the Board level including appointment or removal of CFO and Company Secretary;

## CORPORATE GOVERNANCE REPORT (CONTD.)

- Transactions that will involve substantial payment toward goodwill, brand equity or intellectual property;
- Materially important show cause, demand, prosecution a penalty notices;
- Details of quarterly foreign exchange exposures and steps taken by the management to limit the risks of advance exchange rate movement, if material.
- Sale of material nature, of investments and assets, which is not in the normal course of business;
- Details of any Joint Ventures, acquisitions of companies and Agreements or variation thereof;
- Quarterly Statutory Compliance Report;
- Non-compliance of any regulatory, statutory nature or list requirements and shareholder's service such as non-payment of dividend, delay in share transfer etc.;
- Investments strategy / plan;
- Significant changes in accounting policies and internal controls.
- Statement of significant transactions and arrangements entered by unlisted subsidiary Companies.
- Internal Audit findings and External Audit Reports (through the Audit Committee).
- Status of business risk exposures, its management and related action plans.
- Making of loans and investment of surplus funds.
- Brief on statutory developments, changes in Government policies, etc. with impact thereof, directors' responsibilities arising out of any such developments.
- Brief on clarifications made to the press.

### **(vi) Board material distributed in advance**

Agenda and notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted.

### **(vii) Recording minutes of proceedings at Board and Committee meetings**

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The minutes are entered in the Minutes Book within 30 days from conclusion of each meeting.

### **(viii) Post meeting follow-up mechanism**

The Guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the decisions taken by the Board and Committees thereof. The important decisions taken at the Board/Committee meetings are communicated to the departments/divisions concerned promptly. Action taken report on the decision/minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee.

### **(ix) Compliance**

The Company Secretary while preparing the Agenda, Notes on the Agenda, Minutes, etc. of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 read with the Rules issued there under and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

### **(x) Code of Conduct**

The Board of Directors of your Company has prescribed a Code of Conduct for all members of the Board and the Senior Management of your Company. The Code of Conduct is available on your Company's website: [www.coxandkings.com](http://www.coxandkings.com)

All the members of the Board and the Senior Management personnel of your Company have affirmed their compliance with the Code of Conduct for the year ended March 31, 2010. A declaration signed by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to this effect is attached to the Annual Report.

### **C. Board Committees**

In compliance with both the mandatory and non-mandatory requirements under the Listing Agreement, and the applicable laws, the Board of Directors of your Company constituted the following Committees:

- Audit Committee
- Shareholders' / Investors' Grievance Committee
- Remuneration/Compensation Committee

## CORPORATE GOVERNANCE REPORT (CONTD.)

The Chairman of the Board, in consultation the respective Chairman of these Committees, determines the frequency of the meetings of these Committees. The recommendations of the Committees are submitted to the Board for approval.

### (i) Audit Committee

The Audit Committee of the Board of Directors of your Company consists of Three Independent Directors and One Executive Director. The Chairman of the Committee, Mr. Mahalinga Narayanan, is a Non-Executive Independent Director.

The terms of reference of the Audit Committee are as follows:

The role of the Audit Committee includes:

- a. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b. Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
- c. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- d. 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 Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (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 judgement by the management.
  - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with listing and other legal requirements relating to financial statements.
    - Disclosures of related party transactions.
    - Qualifications in draft audit report.
- e. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- f. Reviewing with the management, the performance of Statutory & Internal Auditors, adequacy of internal control systems.
- g. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- h. Discussion with internal auditors on any significant findings and follow up thereon.
- i. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- j. 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.
- k. To look into the reasons for substantial defaults, if any, in the payments to the debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- l. To review the function of the Whistle Blower Mechanism.
- m. Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.
- n. Reviewing the financial statements and in particulars the investments made by the unlisted subsidiaries of Company.
- o. Review of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc).

The Audit Committee of the Company met 4 times during the year 2009-10: July 14 2009, August 10 2009, October 16 2009 and January 30, 2010.

## CORPORATE GOVERNANCE REPORT (CONTD.)

The following table presents the details of attendance at the Audit Committee meetings held during the year 2009-10.

Sr. No	Name of Director	Designation	Executive/Non Executive	No. of Meetings Held	No. of Meetings Attended
1	Mr. M. Narayanan	Chairman	Non Executive & Independent Director	4	3
2	Mr. Pesi Patel	Member	Non Executive & Independent Director	4	1
3	Mr. Subhash Chandra Bhargava	Member	Non Executive & Independent Director	4	4
4	Mr. A. B. M. Good	Member	Executive Director	4	2

The Company Secretary of your Company is the Secretary to the Audit Committee.

Senior executives of the Accounts Department, Finance Department, Secretarial Department and Representatives of the Statutory and Internal Auditors attend the Audit Committee meetings.

A summary statement of transactions with related parties was placed periodically before the Audit Committee during the year. Suitable disclosures have been made in the financial statements.

### (ii) Shareholders' /Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee of the Board of Directors of your Company is headed by a Non-Executive Director. The Committee consists of:

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

The Company Secretary acts as the Secretary of the Committee.

The terms of reference of the Shareholders'/Investors' Grievance Committee are as follows:

To look into and redress shareholders'/investors' grievances relating to transfer of shares, Non-receipt of declared dividends, Non-receipt of Annual Reports, all such complaints directly concerning the shareholders/investors as stakeholders of the Company, any such matters that may be considered necessary in relation to shareholders and investors of the Company and to appoint compliance officer and fix his responsibilities.

The Committee oversees the performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of the Company's code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992. The Board has delegated the power of approving transfer of securities to the Committee Chairman and/or the Company Secretary.

The Shareholders'/Investors' Grievance Committee met twice during the year on December 11, 2009 and January 30, 2010.

Status report on number of shareholder complaints/request received and replied by the Company during the year ended March 31, 2010 form part of this report.

### (iii) Remuneration /Compensation Committee

The Remuneration/Compensation Committee of the Board comprises of following Directors:

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
5.	Mr. Peter Kerkar	Member	Executive Director

## CORPORATE GOVERNANCE REPORT (CONTD.)

### Remuneration Policy

The remuneration of Executive Directors is decided by the Board of Directors as per the remuneration policy of the Company within the overall ceiling approved by shareholders.

### Remuneration paid to Non-Executive Directors

Non-Executive Directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making, and provide leadership and strategic guidance while maintaining objective judgement. They also oversee corporate governance framework of the Company.

The Non-Executive Directors of your Company are paid sitting fees. Your Company pays sitting fees of Rs. 20,000/- per meeting to the Non-Executive Directors for attending the meetings of the Board and the Committees of the Board, which include the Audit Committee, and Shareholders'/Investors' Grievance Committee and Remuneration /Compensation Committee.

Two of the Non-Executive Directors, Mr. M. Narayanan and Mr. S.C. Bhargava are paid commission amounting to Rs.4,00,000/- on an annual basis and the total commission payable to such Directors shall not exceed 10% of the net profits of the Company.

### Sitting Fees and Commission paid to Non-Executive Directors during the year 2009-10 are as detailed below:

(Amounts in Rs.)

Name of the Director	Sitting Fee	Commission	Total
Mr. Pesi Patel	200,000	-	200,000
Mr. M. Narayanan	280,000	400,000	680,000
Mr. S.C.Bhargava	380,000	400,000	780,000

None of the directors are entitled to any benefit upon termination of their association with our Company.

### Executive Director

During the year under review, there was no change in the terms of remuneration paid to Ms. Urrshila Kerkar.

The Company has no stock plans for the Directors as of now. During the year under review, none of the directors was paid any performance-linked incentive. The Company did not advance any loans to any of the executive and/or non-executive Directors.

Table below gives details of the remuneration paid or payable to the Executive Directors during the year ended March 31, 2010.

Executive Directors	Salary *	Commission	Total
Ms. Urrshila Kerkar	95.43 Lacs	-	95.43 Lacs

\*salary includes Basic Salary, Perquisites and Allowances, contribution to provident fund and other funds.

### Disclosure of material transactions:

Under Clause 49 of the listing agreement, senior management is required to make periodical disclosures to the Board relating to all material financial and commercial transactions where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. This provision was adhered to during the year.

### Compliances regarding insider trading:

Comprehensive guidelines in accordance with the SEBI regulations in this regard are in place. A code of conduct and corporate disclosure practices framed by the Company helps in ensuring compliances with the requirements.

### Communication to Shareholders:

Quarterly, half-yearly and annual financial results are published in leading dailies. The official press release is also issued. The Company's website has a dedicated section for shareholders, which contains all important public domain information, including presentations made to analysts, institutional investors. All financial and other vital official news releases are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

The Company also files the following information, statements, reports on the web-site as specified by SEBI:

- Full version of the annual report including the balance sheet, profit and loss account, directors' report and auditors' report, cash flow statement and quarterly financial statements.
- Corporate Governance Report.
- Shareholding Pattern.



## CORPORATE GOVERNANCE REPORT (CONTD.)

### Details of Capital market non-compliance, if any

There has been no non-compliance by the Company of any legal requirements; nor has there been any penalty, stricture imposed on the Company by any Stock Exchange, SEBI or any statutory authority on any matter related to the capital markets during the year under review.

### Auditors' Certificate on Corporate Governance

The Company has obtained the certificate from its statutory auditors regarding compliance with the provisions relating to Corporate Governance laid down in Clause 49 of the listing agreement. This report is annexed to the Directors' report, and will be sent to the stock exchanges along with the annual return to be filed by the Company.

### General Body Meetings

Annual General meeting for the 2009-10 is scheduled on September 18, 2010, at 11 a.m. The meeting will be conducted at Walchand Hirachand Hall, 4th Floor, Indian Merchant Chambers, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020

Members of the Company, who cannot make it to the meeting, are requested to appoint a proxy. The proxy form duly filled in should reach the registered office of the Company not less than forty eight hours before the commencement of meeting.

### Annual General Meetings and other General Body meeting of the last three years

The details of general meeting held during the last three years and ordinary and special resolutions passed thereat are given below:

Year	Type of Meeting	Time, Day , Date & Location	Summary of Resolution Passed
2008-09	Annual General Meeting	The meeting was held on 10th August, 2009 at the registered office of the Company at 1st Floor, Turner Morrison Building, 16 Bank Street, Fort, Mumbai - 400 001 at 10 am	Special Resolution Further issue of shares pursuant to section 81 (1A) of the Companies Act, 1956
2008-09	Extra Ordinary General Meeting	The meeting was held on 7th January, 2009 at the registered office of the Company at 1st Floor, Turner Morrison Building, 16 Bank Street, Fort, Mumbai - 400 001 at 10 am	Special Resolution Increase in authorised Capital Alteration of Articles of Association
2007-08	Annual General Meeting	The meeting was held on 29th September, 2008 at the registered office of the Company at 1st Floor, Turner Morrison Building, 16 Bank Street, Fort, Mumbai - 400 001 at 4.00 pm.	Ordinary Resolution To Borrow in excess of present limit under section 293 (1) (d) To create charge/ mortgage under section 293 (1) (d) Special Resolution Investment in Quoprro Global Services Private Limited Investment in Joint Venture with IRCTC Payment of Commission to Non- Executive Directors

## CORPORATE GOVERNANCE REPORT (CONTD.)

Year	Type of Meeting	Time, Day , Date & Location	Summary of Resolution Passed
2006-07	Annual General Meeting	The meeting was held on 19th September, 2007 at the registered office of the Company at 1st Floor, Turner Morrison Building, 16 Bank Street, Fort, Mumbai – 400 001 at 10.30 am	<p>Ordinary Resolution</p> <p>Appointment of Mr. M Narayanan as the Independent Director</p> <p>Appointment of Mr. Sam Tully as the Independent Director</p> <p>Special Resolution</p> <p>Increase in authorised Capital</p> <p>Alteration of Articles of Association</p> <p>Issue of Bonus Shares</p> <p>Preferential allotment of shares to promoters</p> <p>Further issue of shares pursuant to section 81 (1A) of the Companies Act, 1956</p> <p>Payment of sitting fee</p> <p>Remuneration of Whole Time Directors</p>

### Details of Resolutions passed through Postal Ballot

During the year, the Company sought approval from its shareholders for passing Special/ Ordinary resolutions through the process of Postal Ballot in accordance with the provisions of Section 192A of the Act read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001. The Board of Directors of the Company, at its meetings held on 16th June, 2010 had appointed Scrutinizers for conducting Postal Ballot in fair and transparent manner. The Postal Ballot forms received were kept in boxes sealed by the Scrutinizers. The declared results of the Postal Ballot were announced through newspaper. The details of resolutions passed through postal ballot are given below:

Particulars of the Resolutions Passed:

Resolution No.	Resolutions Passed	Whether Ordinary/ Special
1.	Change of Name	Special
2.	Raising of Resources through issue of securities	Special
3.	Increase in limits for FII Investment	Special
4.	Authority to investment, give loan and extend Guarantee	Special
5.	Authority to the Board under section 293 (1) (d) of the Companies Act, 1956 to borrow in excess of the present limit	Ordinary
6.	Authority to the Board under section 293 (1) (a) of the Companies Act, 1956 for creation of charge/ mortgages	Ordinary

The procedure adopted for the Postal Ballot was as follows:

1. A Postal Ballot Notice dated 16th June 2010 was sent to all the Shareholders along with Postal Ballot Form and the Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 seeking their assent / dissent to the proposed Resolutions.
2. The Board of Directors appointed Ms. Savita Jyoti, Company Secretary in Practice, as the Scrutinizer for conducting the Postal Ballot exercise.

## CORPORATE GOVERNANCE REPORT (CONTD.)

3. Upon the receipt of the duly filled in Postal Ballot Forms and completion of the scrutiny thereof, the Scrutinizer submitted her report to the Chairman.
4. The Chairman thereafter announced the results of the Postal Ballot on 17 July 2010.

Details of results of the Postal Ballot announced on 17th July 2010:

S.No.	Description	No. of Shareholders	No. of Shares	No. of Votes	Result
	Resolution-I				
1	Votes in favor	354	43469657	43469657	Carried with requisite majority
2	Votes against	11	466	466	
3	Invalid Votes	47	4007	4007	
	Resolution-II				
1	Votes in favor	371	40894371	40894371	Carried with requisite majority
2	Votes against	15	2577878	2577878	
3	Invalid Votes	26	1881	1881	
	Resolution-III				
1	Votes in favor	368	43470989	43470989	Carried with requisite majority
2	Votes against	15	1220	1220	
3	Invalid Votes	29	1921	1921	
	Resolution-IV				
1	Votes in favor	362	43470327	43470327	Carried with requisite majority
2	Votes against	19	1752	1752	
3	Invalid Votes	31	2051	2051	
	Resolution-V				
1	Votes in favor	350	43469507	43469507	Carried with requisite majority
2	Votes against	33	2652	2652	
3	Invalid Votes	29	1971	1971	
	Resolution-VI				
1	Votes in favor	360	43470673	43470673	Carried with requisite majority
2	Votes against	24	1526	1526	
3	Invalid Votes	28	1931	1931	

The above Resolutions were, accordingly, declared by the Chairman as passed by the requisite majority.

### Company Registration Details:

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U99999MH1939PLC011352.

### Disclosures:

- i) The Company does not have any related party transactions that may have any potential conflict with the interest of the Company at large.
- ii) The Company has complied with all the requirements of regulatory authorities on capital markets and no penalties, strictures have been imposed against it.
- iii) The Company has formulated a policy on Ethics and Integrity, which is binding on all the employees of the Company and acts as Whistleblower Policy and no personnel, has been denied access to the Audit Committee.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### Financial Calendar

The tentative calendar for declaration of results for the financial year 2010-11 is as given below:

#### Calendar for Reporting

Quarter ending	Release of results
For the quarter ending June 30, 2010	Second week of August 2010
For the quarter and half year ending September 30, 2010	Second week of November 2010
For the quarter and nine month ending December 31, 2010	Second week of February 2011
For the year ending March 31, 2011	Last week of May 2011

#### Date of Book closure

The Register of Members and share transfer books will remain closed from 10<sup>th</sup> of September 2010 to 18<sup>th</sup> September 2010 (both days inclusive) to determine the entitlement of shareholders to receive the final Dividend as may be declared for the year ended March 31, 2010.

#### Dividend Payment Date

The Board of Directors has recommended 10% Dividend for the financial year 2009-10. The dividend, if approved by shareholders at the ensuing Annual General Meeting shall be paid to those members:

- whose names appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged with M/s Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company on or before 9<sup>th</sup> September 2010.
- In respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the closing hours 9<sup>th</sup> September 2010

#### Means of Communication with Shareholders/ Analysts

Your Company have established procedures to disseminate, in a planned manner, relevant information to shareholders, analysts, employees and the society at large.

Our Audit Committee reviews the earnings press releases, annual and quarterly reports of the

Company, before they are presented to the Board of Directors for their approval for release.

**News Releases, Presentations, etc.:** All our news releases and presentations made at investor conferences and to analysts are posted on the Company's website at [www.coxandkings.com](http://www.coxandkings.com).

**Quarterly results:** Our quarterly results are published in widely circulated national newspapers such as The Economics Times and Maharashtra Times. The results are also displayed on the Company's website [www.coxandkings.com](http://www.coxandkings.com)

**Website:** The Company's website: [www.coxandkings.com](http://www.coxandkings.com) contains a separate dedicated section "Investors" where shareholders information is available. The Annual report of the Company, earnings press releases and quarterly reports of the Company etc. are also available on the website in a user-friendly and downloadable form.

**Annual Report:** Annual Report containing, interalia, Audited Annual Accounts, consolidated financial statements together with Directors' report, Auditors' report and other important information are circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website: [www.coxandkings.com](http://www.coxandkings.com)

**Designated exclusive email-id:** The Company has designated the following email-ids exclusively for investor servicing:

for queries on Annual Report: [investors@coxandkings.com](mailto:investors@coxandkings.com)

for institutional investors / analysts queries: [communication.corp@coxandkings.com](mailto:communication.corp@coxandkings.com)

#### Listing on Stock Exchanges:

As on 31st March 2010, the securities of the Company are listed on the following exchanges:

Bombay Stock Exchange	533144
National Stock Exchange	Cox & kings

Listing fee for the year 2010-11 has been paid to the Stock Exchanges.

#### Registrar and Transfer Agents

Your Company has delegated the power of share transfer and related operations to M/s. Karvy Computershare Pvt. Ltd., Hyderabad, our Registrar and Share Transfer Agents. The communication addresses of the Registrar and Transfer agent is as follows:

## CORPORATE GOVERNANCE REPORT (CONTD.)

### M/s. Karvy Computer Share Private Limited,

Unit: Cox & Kings Limited,  
Plot no: 17-24, Vittal Rao Nagar, Madhapur,  
Hyderabad: 500 081. Andhra Pradesh, India  
Tel: 91 40 23420815 Fax: 91 40 23420814  
Email id: einward.ris@karvy.com  
Contact person: Mr. S.V. Raju

### Share Transfer System

The Share Transfer (pertaining to shares in physical mode) are approved by the Share Transfer Committee which meets regularly

whenever required. The turnaround time for completion of transfer of shares in physical form is generally less than 7 days from the date of receipt, if the documents are clear in all respects.

### Investors' Services

The Company has Board Level Committee dealing with investor issues. Since the date of listing, the Company has attended t most to the investors' grievances/ correspondence within a period of 10-15 days from the date of receipt of same.

Sr. No.	Subject	Opening Balance	Received	Resolved	Closing Balance
1	Status of Application Lodged in Public issue	0	177	177	
2	Non- receipt of refund orders	0	103	103	
3	Non -receipt of electronic credit	0	393	393	
4	Correction /change of bank mandate of refund orders	0	1	1	
5	Receipt of Indemnity Bond for issue of duplicate refund orders	0	3	3	
6	Sebi Complaints	0	13	12	1
7	Stock Exchange Compliant	0	0	0	
8	Others	0	16	16	
	Total		706	705	1

### Dematerialization of shares and liquidity

About 94.46% of outstanding equity has been dematerialized upto March 31, 2010,

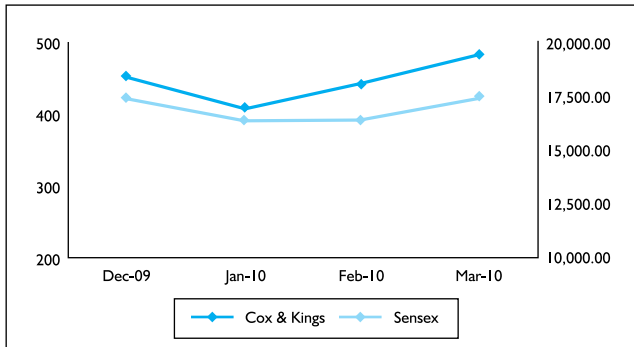
### Equity Shares in the Suspense Account

As per Clause 5A of the listing agreement, the Company reports that 2100 Equity shares are lying in the Suspense account as on March 31, 2010

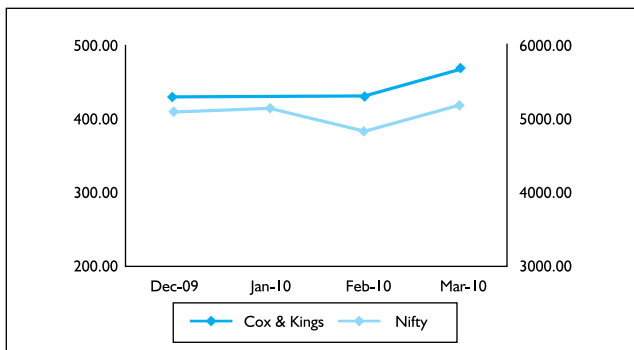
### Share Price Data for since listing upto 31st March 2010- both NSE and BSE

Date	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Volume	High	Low	Volume
<b>Dec-09</b>	475.00	304.10	40,056,048	469.70	343.20	72,148,061
<b>Jan-10</b>	459.90	371.00	2,367,997	459.60	348.90	5,700,841
<b>Feb-10</b>	473.25	403.10	1,279,408	472.00	402.80	2,923,779
<b>Mar-10</b>	504.90	433.20	979,212	504.45	435.90	2,804,273

## CORPORATE GOVERNANCE REPORT (CONTD.)



Cox &amp; Kings performance versus the BSE Sensex from listing till 31st March 2010



Cox &amp; Kings performance versus the NSE Nifty from listing till 31st March 2010

## Shareholding Pattern as on March 31, 2010

Shareholders	No. of Shares	%
Promoter and Promoter Group Holding	40,040,880	63.63%
Foreign Institutional Investor	13,816,640	21.95%
Mutual Funds	4,397,743	6.98%
Bodies Corporate	1,730,217	2.74 %
Resident Individuals	1,724,023	2.73 %
Foreign Corporate Bodies	760,648	1.20 %
Others	452,791	0.70 %
<b>Total</b>	<b>62,922,942</b>	<b>100%</b>

## Distribution Schedule as on March 31, 2010

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	16,481	98.07%	1,430,053	143,005,30	2.27%
5001 - 10000	136	0.81%	98,502	985,020	0.16%
10001 - 20000	59	0.35%	83,828	838,280	0.13%
20001 - 30000	18	0.11%	45,742	457,420	0.07%
30001 - 40000	11	0.07%	37,981	379,810	0.06%
40001 - 50000	6	0.04%	28,925	289,250	0.05%
50001 - 100000	13	0.08%	99,447	994,470	0.16%
100001 Above	81	0.48%	61,098,464	610,984,640	97.10%
<b>Total</b>	<b>16,805</b>	<b>100%</b>	<b>62,922,942</b>	<b>629,229,420</b>	<b>100%</b>

## DECLARATION -CODE OF CONDUCT

I, Urrshila Kerkar, Whole Time Director of COX AND KINGS (INDIA) LIMITED, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company, applicable to them as laid down by the Board of Directors in terms of Clause 49(1)(D) (ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended March 31, 2010.

**For Cox and Kings (India) Limited**

**Urrshila Kerkar**  
Whole Time Director

Mumbai, 29th May 2010

## CERTIFICATE OF CEO/ CFO

### This is to certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year 2009-10 and that to be the best of our knowledge and belief:
  - i] These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii] These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
  - i] Significant changes in internal control over financial reporting during the year;
  - ii] Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii] Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Cox and Kings (India) Limited**

**Anil Khandelwal**  
Chief Financial Officer

Mumbai, 29th May 2010

## AUDITORS' CERTIFICATE

To,

**The Members of**

COX AND KINGS (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by COX AND KINGS (INDIA) LIMITED ("the Company"), for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Chaturvedi & Shah**  
Chartered Accountants

**Rajesh Chaturvedi**  
(Partner)  
Membership No: 45582

Mumbai, 29th May 2010



## COX & KINGS LIMITED' CSR ACTIVITIES / COMMUNITY INITIATIVE

Cox & Kings Ltd. (C&K) puts an emphasis on the welfare of children & the empowerment of women. C&K is also an active crusader for cancer treatment and the importance of loving care and concern towards animals. During the year, C&K participated in corporate social responsibility activities across various fields.

### ➤ **Making wishes come true:**

- C&K assists **Make-A-Wish Foundation (MAWF) of India** in granting wishes of children with life threatening diseases. Our relationship with **MAWF** began in November 2008 when we made a commitment to sponsor wishes worth Rs. 25,000 every month. As of April 2010, we have fulfilled the wishes of more than 100 children. These range from cycles, PSPs, sewing machines to computers and televisions. A small price for the joy on the faces of these children!
- April 29th, 2010 marked the 30th anniversary of the first wish granted by **MAWF**. To commemorate the day, **MAWF** celebrated its first ever World Wish Day wherein every Make-A-Wish affiliate and chapter around the world granted a wish. In India, C&K partnered with **MAWF**, India and were instrumental in granting around 50 wishes on that day. The event took place across eight locations where Cox and Kings has offices including Mumbai, New Delhi, Ahmedabad, Jaipur, Bangalore, Hyderabad, Chennai, Goa and Pune. The event was a success with involvement of C&K employees.
- In our attempt to promote **MAWF's** cause amongst employees and customers, we have placed donation boxes in our offices across the country.

### ➤ **Travel made easy:**

- C&K sponsored the trip of a US based "**Wish" child who wished to visit India**. The child travelled with her family. Accommodation, all meals, transfers and domestic flights was sponsored by the company.
- The company also sponsored the **travel wish** of a Pune based child who wanted to visit Kerala. The child and her family had a six-night holiday in Kerala where the travel to and from, full board & accommodation, sightseeing and private transfers was totally taken care of by C&K.
- C&K is the **Official Travel partner** of **MAWF** wherein we sponsor the "Travel Wishes" of children.

### ➤ **Staff involvement for the betterment of street children:**

- A total of 42 employees participated in a **Magic Bus** Orientation Day Programme in Karjat. Apart from C&K's monetary contribution towards the activities of **Magic Bus Foundation** which is the development of underprivileged children through sports, our staff benefited from an out-of-the-office team spirit experience. In fact, each one got a hands-on experience in gardening and painting.

### ➤ **Running for a cause:**

- The year 2009 saw for the first time, 30 C&K employees run in the **Standard Chartered Mumbai Marathon**. We ran for **Make-A-Wish Foundation of India**.
- In 2010, we ran for **Ummeed Child Development Centre**. Ummeed is set up with the objective of helping children with developmental disabilities such as Cerebral Palsy, Mental Retardation, Learning Disability, Autism, Attention Deficit Disorder, etc. Ummeed works with the child individually and comes to joint decisions with the family on care and management of the child.
- Our Bangalore office ran for the first time in the **Sunfeast World 10k 2010**. Our charity of choice was **Oxfam India**. Oxfam India strives to secure the right to a life with dignity for all by actively engaging people and policy makers in the inclusive development of society.

### ➤ **Community development and rehabilitation:**

- During Diwali (2009), C&K partnered with **Oxfam India**, who were one of the NGOs that assisted in the rehabilitation efforts in the Kurnool district of Andhra Pradesh. For the first time we initiated an exercise where we asked staff to contribute to this cause. Not only C&K contributed monetarily but many employees of C&K contributed whole heartedly for this noble cause.

### ➤ **On the way to the Oscars':**

- The **film KAVI was the Indian entry to the OSCARS 2010**, in the documentary film category. The movie made on a shoe string budget traces the lives of bonded labourers. While the crew was overjoyed on being nominated, they were in a dilemma on the costs involved in participating in the Oscars. In this scenario, comes in C&K who immediately agrees to sponsor the hotel accommodation of the child actor Sagar Salunke and three members of the crew. .

### ➤ **All for the love of the animals:**

- C&K donated to **SPCA India** towards the building of an OPD facility in their Noida Shelter. The SPCA hospital and shelter in Noida provides ambulance, outdoor treatment and sterilization facilities for dogs, cats and large animals. They wanted to build a full-fledged OPD facility with the hope of providing vet facilities to private pet owners so that the money earned from there can be ploughed into free treatment and maintaining the shelter.

### ➤ **Child Protection:**

- C&K actively contributed towards the Child Protection Programme for 10 children.

### ➤ **Donations:**

- The management of C&K has had a long standing relationship with the **Cancer Patients Aid Association**.

### ➤ **Contributions across festivals:**

- C&K distributed 1000 blankets at the **Divine Retreat Centre**.

## **Financial Statements & Notes**

## AUDITORS' REPORT

To,

**The Members of  
COX AND KINGS (INDIA) LIMITED**

We have audited the attached Balance Sheet of **COX AND KINGS (INDIA) LIMITED** as at March 31, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We have conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the Directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
    - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Chaturvedi & Shah**  
Firm Registration No. 101720W  
Chartered Accountants

**Rajesh Chaturvedi**  
Partner  
Membership No.:45882

Place: Mumbai

Date : May 29, 2010

## ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE

- Re : Cox and Kings (India) Limited ("the Company")
1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) In our opinion, the Company has not disposed off substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
  2. In respect of its inventories:
    - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
    - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
    - c) The Company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
  3. In respect of loans, secured or unsecured, granted by the company to companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956: -
    - a) The Company has granted unsecured loan to three parties covered in the register maintained under section 301 of the Companies Act, 1956 aggregating to Rs 2486.51 Lacs and maximum amount outstanding at any time during the year is Rs.10705.13 Lacs.
    - b) According to the information and explanations given to us, the rate of interest (where stipulated) and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
    - c) According to the information and explanations given to us, the said loans and the interest thereon are repayable on demand and therefore the question of overdue amount does not arise.
  4. The Company has not taken any loan, secured or unsecured to/from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
  5. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
  6. In respect of contracts or arrangements referred to in section 301 of the Companies Act, 1956.
    - a) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under section 301 of the companies Act 1956 have been so entered.
    - b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contract or arrangements are unique and of specialized nature and in absence of any comparable prices, we are unable to comment if same have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
  7. The Company has not accepted any deposit from the public.
  8. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
  9. To the best of our knowledge and according to the information and explanation provided to us, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
  10. In respect of statutory dues:
    - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues, have been generally regularly deposited with the appropriate authorities except for few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2010 for a period of more than six months.

## ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE (Contd.)

- b) According to the information and explanation given to us, there are no dues of sales tax, income tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute, except as stated below:

Name of the Statute	Nature of Dues	Year	Amount In Lacs	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax/Penalties	2005-06	201.58	Commissioner of Income Tax (Appeals)
		2006-07	39.44	Commissioner of Income Tax (Appeals)
		1998-99	3.73	Income Tax Officer
			<b>244.75</b>	

11. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
12. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
13. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003, (as amended) are not applicable to the Company.
15. The Company has maintained proper records of transactions and contracts in respect of dealing and trading in other investments and timely entries have been made therein. All the investments have been held by the Company in its own name.
16. The Company has given guarantees for loans taken by others from banks and financial institutions. According to the information and explanation given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interests of the Company.
17. The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
18. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
19. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
20. During the year Company has issued debentures. As per the information and explanation given to us, the debentures are secured only by personal guarantee of director.
21. We have verified end use of money raised by public issues as disclosed in the notes to the financial statements.
22. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **Chaturvedi & Shah**  
Firm Registration No. 101720W  
Chartered Accountants

**Rajesh Chaturvedi**  
Partner  
Membership No.:45882

Place: Mumbai  
Date : 29th May 2010

**BALANCE SHEET AS AT MARCH 31, 2010**

	Schedule No.	As At 31.03.2010		As At 31.03.2009	
		Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	6,292.29		2,792.53	
Reserves & Surplus	2	63,601.89		15,706.72	
			69,894.18		18,499.25
<b>Loan Funds</b>					
Secured Loans	3	14,566.56		8,263.26	
Unsecured Loans		9,000.00		10,202.00	
			23,566.56		18,465.26
<b>TOTAL</b>			<b>93,460.74</b>		<b>36,964.51</b>
<b>APPLICATIONS OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	4	4,428.85		3,994.89	
Less : Depreciation/Amortisation		2,494.39		2,076.30	
Net Block		1,934.46		1,918.59	
Capital Work In Progress		733.59		365.54	
			2,668.05		2,284.13
<b>Investments</b>	5		<b>32,340.56</b>		10,953.00
<b>Deferred Tax Assets (Net)</b> (Refer note 5 of Schedule 12)			<b>192.57</b>		339.74
<b>Current Assets, Loans &amp; Advances</b>					
Inventories	6	558.46		352.75	
Sundry Debtors		20,902.98		18,496.26	
Cash & Bank Balances		20,105.67		2,758.33	
Loans & Advances		26,058.29		17,287.08	
		67,625.40		38,894.42	
<b>Less : Current Liabilities and Provisions</b>	7				
Current Liabilities		7,706.95		12,904.07	
Provisions		1,658.89		2,602.71	
		9,365.84		15,506.78	
<b>Net Current Assets</b>			<b>58,259.56</b>		23,387.64
<b>TOTAL</b>			<b>93,460.74</b>		<b>36,964.51</b>
<b>Notes to Accounts</b>	12				

As per our attached report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**For and on behalf of the Board**

**Rajesh Chaturvedi**  
Partner

**Urrshila Kerkar**  
Director

**Peter Kerkar**  
Director

Place: Mumbai  
Date : 29th May, 2010

**Rashmi Jain**  
Company Secretary

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule No.	For the year ended 31.03.2010		For the year ended 31.03.2009	
		Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>INCOME</b>					
Commission and Other Operating Income	<b>8</b>	<b>17,638.72</b>		15,509.42	
Other Income	<b>9</b>	<b>564.44</b>		627.63	
			<b>18,203.16</b>		16,137.05
<b>EXPENDITURE</b>					
Personnel Expenses	<b>10</b>	<b>3,919.85</b>		3,185.28	
Other Expenses	<b>11</b>	<b>5,326.33</b>		5,453.47	
Interest and Finance Charges (Net)		<b>882.34</b>		912.15	
Depreciation		<b>524.96</b>		494.70	
			<b>10,653.48</b>		10,045.60
<b>Profit before tax</b>			<b>7,549.68</b>		6,091.45
<b>Less :</b> Provision for Tax					
Current			<b>2,396.20</b>		2,420.00
Deferred			<b>147.19</b>		(225.18)
Fringe Benefit Tax			-		79.15
<b>Profit after tax for the year</b>			<b>5,006.29</b>		3,817.48
<b>Add :</b> Tax Provision in respect of earlier years written back			-		4.36
<b>Profit after tax for the year</b>			<b>5,006.29</b>		3,821.84
<b>Add :</b> Balance of Profit brought forward from previous year			<b>11,578.34</b>		7,821.84
<b>Profit available for appropriation</b>			<b>16,584.63</b>		11,643.68
<b>Appropriation :</b>					
Proposed Final Dividend			<b>629.23</b>		55.85
Tax on dividend			<b>104.51</b>		9.49
<b>Balance carried forward to Balance Sheet</b>			<b>15,850.89</b>		11,578.34
<b>Notes to Accounts</b>	<b>12</b>				
<b>Earnings per share - Basic and Diluted (Face value of Rs. 10 per share)</b>			<b>9.77</b>		8.82
(Refer note 6 of Schedule 12)					

As per our attached report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**For and on behalf of the Board**

**Rajesh Chaturvedi**  
Partner

**Urrshila Kerkar**  
Director

**Peter Kerkar**  
Director

Place: Mumbai  
Date : 29th May, 2010

**Rashmi Jain**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	FY 2009-10 Rs. in Lacs	FY 2008-09 Rs. in Lacs
<b>Cash Flow from Operating Activities</b>		
Profit before Tax	<b>7,549.68</b>	6,091.46
<b>Adjustment for:</b>		
Depreciation	<b>524.96</b>	494.70
Profit on sale of Investment	<b>(6.72)</b>	-
Dividend on Investment	<b>(325.88)</b>	-
Interest Income	<b>(573.09)</b>	(449.42)
Interest Expense	<b>882.34</b>	912.15
Reversal of loss in value of Current Investment	<b>(12.73)</b>	11.98
Loss on sale of Fixed Assets (Net)	<b>3.84</b>	1.17
<b>Operating profit before working capital changes</b>	<b>8,042.40</b>	7,062.04
Adjustment for:		
(Increase)/Decrease in Inventories	<b>(205.71)</b>	52.60
(Increase)/Decrease in Trade Receivable	<b>(2,406.73)</b>	(3,074.40)
(Increase)/Decrease in Loans and Advances	<b>(8,313.09)</b>	(6,834.54)
Increase/(Decrease) in Current Liabilities	<b>(4,890.81)</b>	(23.54)
Cash Generated from Operations	<b>(7,773.94)</b>	(2,817.84)
Income Taxes Paid	<b>(3,990.21)</b>	(958.27)
<b>Net cash used in operating activities</b>	<b>(11,764.15)</b>	(3,776.11)
	A	
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	<b>(554.32)</b>	(962.65)
Increase in Capital work in progress	<b>(368.04)</b>	(111.74)
Sale of Fixed Assets	<b>9.64</b>	19.36
Interest Received	<b>114.97</b>	98.50
Dividend Received	<b>325.88</b>	-
Purchase of Investments	<b>(124,791.57)</b>	(1,106.14)
Sale of Investments	<b>103,423.46</b>	-
<b>Net cash used in investing activities</b>	<b>(21,839.98)</b>	(2,062.67)
	B	



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010 (Contd.)

	FY 2009-10 Rs. in Lacs	FY 2008-09 Rs. in Lacs
<b>Cash Flow from Financing Activities</b>		
Increase/(Decrease) in borrowings (Net)	<b>5,101.29</b>	6,311.78
Issue of Shares	<b>52,939.77</b>	-
Expenses for Initial Public Offer	<b>(5,817.38)</b>	-
Dividend Paid	<b>(65.34)</b>	(65.34)
Interest Paid	<b>(1,137.26)</b>	(509.40)
<b>Net cash flow from financing activities</b>	<b>51,021.08</b>	5,737.04
<b>Net Increase in cash and Cash equivalents (A+B+C)</b>	<b>17,416.95</b>	(101.74)
<b>Cash and Cash equivalents</b>		
at the beginning of the period	<b>2,606.98</b>	2,708.72
at the end of the period	<b>20,023.93</b>	2,606.98
<b>Net Increase in Cash and Cash equivalents</b>	<b>17,416.95</b>	(101.74)
Cash and cash equivalents are as per schedule 6 to the financial statements (adjusted for the Book Overdraft)		
Significant accounting policies and notes to accounts	12	

As per our attached report of even date

**For Chaturvedi & Shah**

Chartered Accountants

**For and on behalf of the Board**

**Rajesh Chaturvedi**

Partner

**Urrshila Kerkar**

Director

**Peter Kerkar**

Director

Place: Mumbai

Date : 29th May, 2010

**Rashmi Jain**

Company Secretary

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	As At 31.03.2010		As At 31.03.2009	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>SCHEDULE 1 - SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
110,000,000 (Previous Year 110,000,000) Equity Shares of Rs.10/- each		<b>11,000.00</b>		11,000.00
		<b>11,000.00</b>		11,000.00
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>				
62,922,942 (Previous Year 27,925,260) Equity Shares of Rs.10/- each fully paid up		<b>6,292.29</b>		2,792.53
(Of the above:				
i) 1,139,815 (Previous year 1,139,815) Equity Shares of Rs.10/- each were issued pursuant to a contract without payment being received in cash				
ii) 19,443,945 (Previous year 19,443,945) Equity Shares of Rs.10/- each were issued as bonus shares by capitalisation of Reserves)				
<b>TOTAL</b>		<b>6,292.29</b>		2,792.53
<b>SCHEDULE 2 - RESERVES &amp; SURPLUS</b>				
<b>CAPITAL RESERVE</b>		<b>17.50</b>		17.50
<b>SHARE PREMIUM:</b>				
As per last Balance Sheet	<b>4,054.71</b>		4,054.71	
Add : On Shares allotted during the Period	<b>49,440.00</b>		-	
Less : Expenses for Initial Public Offer	<b>(5,817.38)</b>		-	
		<b>47,677.33</b>		4,054.71
<b>FOREIGN EXCHANGE EARNINGS RESERVE</b>		<b>56.17</b>		56.17
<b>BALANCE IN PROFIT &amp; LOSS ACCOUNT</b>		<b>15,850.89</b>		11,578.34
<b>TOTAL</b>		<b>63,601.89</b>		15,706.72

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 (Contd.)

	As At 31.03.2010		As At 31.03.2009	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>SCHEDULE 3 - LOAN FUNDS</b>				
<b>I SECURED LOANS</b>				
<b>a) Bank Overdraft</b>	-		2,431.81	
<b>b) Loans from Banks</b>				
(i) Foreign Currency Loans	<b>4,503.01</b>		-	
(ii) Rupee Loans	<b>10,004.21</b>		5,751.95	
<b>c) Loans from Others</b>	<b>59.34</b>		79.50	
		<b>14,566.56</b>		8,263.26
<b>II UNSECURED LOANS</b>				
<b>a) Inter-Corporate Deposits</b>	-		202.00	
<b>b) Non-convertible Debentures</b>	<b>7,000.00</b>		8,000.00	
<b>c) Loans from Banks</b>	<b>2,000.00</b>		2,000.00	
		<b>9,000.00</b>		10,202.00
<b>TOTAL</b>		<b>23,566.56</b>		18,465.26

**Notes:**

- a) Loan referred to in I (b) (i) above is secured against the first ranking charge on all its current assets, both present and future, excluding credit card receivables.
- b) Loan to the extent of Rs.8,494.97 lacs (Previous year Rs.5000.00 lacs) referred to in I (b) (ii) is secured against credit card receivables; second charge on the current assets of the company, present and future and Personal Guarantee of two Directors.
- c) Loan to the extent of Rs.109.24 lacs (Previous year Rs.148.07 lacs) referred to in I (b) (ii) is secured against respective vehicles purchased.
- d) Loan to the extent of Rs.1,400.00 lacs (Previous year Rs.NIL) referred to in I (b) (ii) is secured by pledge of shares held by company in JV company and Personal Guarantee of two Directors.
- e) Loan to the extent of Rs.NIL (Previous year Rs.603.88 lacs) referred to in I (b) (ii) is secured against execution of Demand Promissory Note, hypothecation of company's movable and immovable assets, Shares of Group Company, Personal Guarantee of a Director.
- f) Loans referred to in I (c) are secured against respective vehicles purchased.
- g) Debentures referred to in II (b) above are redeemable at par, in one or more installments, on various dates with the earliest redemption being on 7th October, 2010 and the last being on 15th November, 2010.

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 (Contd.)

### SCHEDULE : 4 - FIXED ASSETS

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
	AS ON 01.04.2009	ADDITIONS SALE/ ADJ	AS ON 31.03.2010	UPTO 01.04.2009	FOR THE PERIOD	SALE/ ADJ	UPTO 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
<b>TANGIBLE</b>									
Lease Hold Land	46.08	-	46.08	5.14	0.51	-	5.65	40.43	40.94
Residential Flats	21.12	-	21.12	9.09	0.60	-	9.69	11.43	12.03
Computer and Printers	1,159.83	37.34	1,197.05	822.70	140.55	0.09	963.16	233.89	337.13
Electrical Installations & Fittings	270.38	6.50	272.71	128.52	20.13	2.53	146.12	126.59	141.86
Office Equipments	282.73	14.68	297.41	168.88	16.89	-	185.77	111.64	113.85
Furniture & Fixtures	563.81	25.90	574.56	343.44	41.48	8.40	376.52	198.04	220.37
Leasehold Improvements	602.92	16.73	619.65	222.12	136.59	-	358.71	260.94	380.80
Vehicles	427.17	7.60	429.22	131.18	77.00	0.48	207.70	221.52	295.99
<b>INTANGIBLE</b>									
Database	95.37	-	95.37	95.37	-	95.37	-	-	-
Softwares	525.48	445.57	971.05	149.86	91.21	-	241.07	729.98	375.62
<b>TOTAL</b>	3,994.89	554.32	4,428.85	2,076.30	524.96	106.87	2,494.39	1,934.46	1,918.59
Capital Work In Progress	-	-	-	-	-	-	-	-	-
Tangible								153.74	3.14
Intangible								579.85	362.40
<b>TOTAL</b>								733.59	365.54
<b>TOTAL</b>	3,994.89	554.32	4,428.85	2,076.30	524.96	106.87	2,494.39	2,668.05	2,284.13
PREVIOUS YEAR	3,092.89	962.64	3,994.88	1,621.73	494.70	40.13	2,076.30	2,284.13	

**Notes:**

(1) Cost of Residential Flats include 3,676 shares of Rs. 10/- each fully paid up in Century Galaxy Developers Limited.

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 (Contd.)**

	<b>As At 31.03.2010</b>	<b>As At 31.03.2009</b>
	<b>Rs. in Lacs</b>	<b>Rs. in Lacs</b>
<b>SCHEDULE 5 - INVESTMENTS</b>		
<b>(LONG TERM - AT COST, UNLESS OTHERWISE STATED)</b>		
<b>A. TRADE INVESTMENTS</b>		
<b>Unquoted :</b>		
<b>In Subsidiary:</b>		
<b>Clearmine Limited</b>	<b>1,633.89</b>	1,633.89
1,500 (Previous year 1,500) Equity shares of Sterling Pound 1/- each fully paid up		
<b>CNK Internet Pte Limited</b>	<b>28.83</b>	28.83
100,000 (Previous year 100,000) Equity shares of SGD 1/- each fully paid up		
<b>Cox &amp; Kings Tours LLC</b>	<b>36.72</b>	36.72
300 (Previous year 300) Equity shares of AED 1,000/- each fully paid up		
<b>Cox &amp; Kings Ltd</b>	<b>3,902.77</b>	3,902.77
1,427,875 (previous year 1,427,875) Equity shares of Sterling pound 1/- each fully paid up		
<b>Cox &amp; Kings Japan Ltd</b>	<b>202.46</b>	202.46
247 (previous year 247) Equity shares of Yen 50,000 each fully paid up		
<b>Cox &amp; Kings Australia Ltd</b>	<b>855.14</b>	855.14
1000 (previous year 1000) Equity shares of AUD 1 each fully paid up		
<b>Quopro Global Services Private Limited</b>	<b>1.00</b>	1.00
10,000 shares (Previous year 10,000) at Rs. 10 each		
<b>Quopro Global Services UK</b>	<b>22.22</b>	-
30,001 (Previous year NIL) Equity Shares of Sterling Pound 1/- each fully paid up		
<b>In Others:</b>		
<b>Radius the Global Travel Company</b>		
30 Shares (Previous year 30) of Class B Common Voting shares, fully paid up	<b>53.04</b>	53.04
10 Shares (Previous year 10) of Class A Common Non-Voting Shares, fully paid up	<b>6.12</b>	6.12
<b>Ezeego One Travel and Tours Limited*</b>	<b>1,000.00</b>	1,000.00
9,000 (Previous year 9,000) Equity Share of Rs.10/- Each fully Paid up		

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 (Contd.)**

	<b>As At 31.03.2010</b>	<b>As At 31.03.2009</b>
	<b>Rs. in Lacs</b>	<b>Rs. in Lacs</b>
<b>Royale India Rail Tours Limited*</b>	<b>250.00</b>	250.00
2,500,000 (Previous year 2,500,000) Equity Share of Rs.10/- Each fully Paid up		
<b>Quoted :</b>		
<b>Tulip Star Hotels Limited</b>	<b>140.25</b>	140.25
1,402,500 (Previous year 1,402,500) Equity Shares of Rs.10/- each fully paid-up		
(The above shares are pledged with Bank)		
<b>B. OTHERS</b>		
<b>Unquoted :</b>		
<b>Business India Publications Limited</b>	<b>24.75</b>	24.75
45,000 (Previous year 45,000) equity shares of Rs 10/- each fully paid up		
<b>Greater Bombay Co-Op Bank Limited</b>	<b>0.01</b>	0.01
40 shares (Previous year 40) at Rs. 25 each fully paid		
<b>CURRENT INVESTMENTS</b>		
<b>Unquoted - Others:</b>		
<b>V Hotels Limited</b>	<b>1,800.00</b>	1,800.00
1,800,000 (Previous year 1,800,000) 24% (previous year 18%) Convertible Debentures of Rs 100/- each		
<b>Ezeego One Travel and Tours Limited*</b>	<b>1,000.00</b>	1,000.00
100,000 (Previous year 100,000) 12% Fully Convertible Debentures of Rs. 1000/- each		
<b>LICMF Infrastructure Fund - Growth Plan</b>	<b>23.53</b>	13.92
250,000 units of Rs. 10 each fully paid up		
<b>Kotak Indo World Infrastructure Fund - Growth Plan</b>	<b>7.21</b>	4.10
100,000 units of Rs. 10 each fully paid up		
<b>Reliance Money Manager Fund - Institutional Option -Daily dividend Plan</b>	<b>5,693.57</b>	-
568,710 units of Rs. 1000 each fully paid up		
<b>LICMF - Saving Plus fund - Daily Dividend</b>	<b>7,270.52</b>	-
72,705,211 units of Rs. 10 each fully paid up		
<b>NLFSD Canara Robeco Treasury Advantage Super Institutional Daily Dividend ReInvestment Fund</b>	<b>502.26</b>	-
4,048,128 units of Rs. 10 each fully paid up		

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 (Contd.)**

	<b>As At 31.03.2010</b>	<b>As At 31.03.2009</b>
	<b>Rs. in Lacs</b>	<b>Rs. in Lacs</b>
<b>Religare Ultra Short Term fund - Daily Dividend</b> 10,095,957 units of Rs. 10 each fully paid up	<b>1,011.18</b>	-
<b>Baroda Pioneer Treasury Advantage Fund-Institutional Daily Dividend Plan</b> 5,018,399 units of Rs. 10 each fully paid up	<b>502.30</b>	-
<b>GCCD IDFC Money Manager fund - TP-Daily Dividend</b> 8,035,199 units of Rs. 10 each fully paid up	<b>803.64</b>	-
<b>B503DD Birla Sun Life Cash Plus-Instl.Prem.-Daily Dividend -Reinvestment</b> 35,439,872 units of Rs. 10 each fully paid up	<b>3,546.40</b>	-
<b>2031 / HDFC Cash Management Fund-Treasury Advantage Plan-Wholesale Daily Dividend</b> 20,163,970 units of Rs. 10 each fully paid up	<b>2,022.75</b>	-
<b>TOTAL</b>	<b>32,340.56</b>	<b>10,953.00</b>
<b>Notes:</b>		
Quoted Investments :		
Cost	<b>140.25</b>	140.25
Market Value	<b>1,535.74</b>	966.32
Aggregate Cost of Unquoted Investments	<b>32,200.31</b>	10,812.75
* Company under same management		

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 (Contd.)**

<b>Investments purchased and sold during the year</b>	<b>Face Value</b>	<b>No.s (In lacs)</b>	<b>Cost (Rs. In Lacs)</b>
S230 SBNPP Money Fund Super Institutional Daily Dividend Reinvestment	10	247.66	2,500.19
S230 SBNPP Ultra ST Fund Super Inst.Div Rein Daily	10	249.25	2,501.77
Reliance Money Manager Fund - Institutional Option -Daily dividend Plan	10	999.78	10,000.86
LICMF - Liquid Fund - Dividend Plan	10	1,163.12	12,771.21
LICMF - Floting Rate Fund Short Term Growth Plan	10	199.93	2,900.00
LICMF - Saving plus fund - Daily Dividend	10	206.26	2,900.48
LICMF - Floting Rate Fund Short Term Growth Plan	10	70.94	1,000.00
LICMF - Saving plus fund - Daily Dividend	10	113.48	1,600.14
Franklin Templeton Mutual Fund - Super Institutional Plan - Daily Dividend Reinvestment	1,000	0.50	500.04
Franklin Templeton Mutual Fund - Ultra Short Bond Fund Super Institutional Plan - Daily Dividend Reinvestment	10	50.15	502.09
NLFSD Canara Robeco Treasury Advantage Super Instt Daily Dividend Reinvestment Fund	10	49.80	500.04
Religare Liquid Fund-Super Institutional Daily Dividend	10	99.94	1,000.08
Baroda Pioneer Liquid Fund-Institutional Daily Dividend Plan	10	49.97	500.04
GCCD IDFC Cash Fund-Super Inst Plan C-Daily Dividend	10	79.99	800.07
Kotak Liquid (Institutional Premium)-Daily Dividend	10	40.89	500.04
Kotak Floater Long Term-Daily Dividend	10	49.75	501.46
1564 ICICI Prudential Liquid Super Institutional Plan -Daily Dividend	100	5.00	500.04
1524 ICICI Prudential Flexible Income Plan Premium - Daily Dividend	100	4.77	504.78
AXIS BANK - Treasury Advantage Fund-Institutional Daily Dividend	1,000	0.40	400.71
Axis Treasury Advantage Fund-Institutional Daily Dividend	1,000	3.50	3,500.27
Axis Treasury Advantage Fund-Institutional Daily Dividend	1,000	3.51	3,512.15
B503DD Birla Sun Life Cash Plus-Instl.Prem.-Daily Dividend -Reinvestment	10	598.89	6,000.54
DWS Ultra Short Term Fund Institutional Daily Dividend	10	697.93	7,000.56
DWS Ultra Short Term Fund Institutional Daily Dividend	10	699.81	7,010.62
3006/HDFC Cash Management Fund-Savings Plan-Daily Dividend Reinvestment	10	94.02	1,000.08
L030DD SBI-Magnum Insta Cash Fund-Daily Dividend Option	10	597.05	10,000.74
L147ID SBI SHF Ultra Short Term Fund Institutional Plan-Daily Dividend	10	1,003.78	10,043.85
Reliance Money Manager Fund - Institutional Option -Daily dividend Plan	1,000	4.40	4,400.00
LICMF - Saving plus fund - Daily Dividend	10	1,006.58	10,065.84
B503DD Birla Sun Life Cash Plus-Instl.Prem.-Daily Dividend -Reinvestment	10	249.83	2,500.00
2031 / HDFC Cash Management Fund-Treasury Advantage Plan-Wholesale Daily Dividend	10	99.69	1,000.00



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 (Contd.)**

	As At 31.03.2010		As At 31.03.2009	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>SCHEDULE 6 - CURRENT ASSETS, LOANS AND ADVANCES</b>				
<b>CURRENT ASSETS</b>				
<b>INVENTORIES</b>				
Stock of Foreign Currency [Net of Provision for Fake/Soiled Currency Rs.1.13 lacs (Previous Year Rs.2.30 lacs)]		<b>558.46</b>		352.75
<b>SUNDRY DEBTORS</b>				
<b>(Unsecured, Considered Good)</b>				
Debts Outstanding for period exceeding six months :	<b>295.40</b>		473.78	
Other Debts :	<b>20,607.58</b>		18,022.48	
		<b>20,902.98</b>		18,496.26
<b>CASH AND BANK BALANCES</b>				
Cash on Hand	<b>513.98</b>		348.87	
Balances with Banks				
With Scheduled Banks				
in Current Accounts	<b>11,097.77</b>		2,218.18	
[Includes Rs.1.22 lacs (Previous Year Rs. NIL) towards unclaimed refund against share application money]				
in Fixed Deposit	<b>8,478.74</b>		188.01	
[Pledged with banks against gurantees or overdraft facilities Rs. 816.60 lacs (previous year Rs.188.01 lacs)]				
With Other Banks				
Deutsche Bank Trust Company Americas New York	<b>10.25</b>		2.62	
[Maximum Balance Outstanding during the year Rs.15.78 lacs (Previous Year Rs.26.08 lacs)]				
Bank of America New York	<b>4.59</b>		-	
[Maximum Balance Outstanding during the year Rs.4.59 lacs (Previous Year Rs.NIL)]				
International Moscow Bank, Moscow	<b>0.34</b>		0.65	
[Maximum Balance Outstanding during the year Rs.0.40 lacs (Previous Year Rs.6.87 lacs)]				
		<b>20,105.67</b>		2,758.33

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 (Contd.)**

	As At 31.03.2010		As At 31.03.2009	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>LOANS AND ADVANCES</b>				
<b>(Unsecured, Considered Good)</b>				
Advances to Subsidiaries	<b>5,273.56</b>		2,929.20	
Advances recoverable in cash or in kind or for value to be received	<b>19,549.08</b>		13,653.26	
Deposits	<b>1,235.64</b>		704.62	
		<b>26,058.28</b>		17,287.08
<b>TOTAL</b>		<b>67,625.39</b>		<b>38,894.42</b>
<b>SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS</b>				
<b>A. CURRENT LIABILITIES</b>				
Trade Creditors :				
i) Total outstanding dues to Micro, Small and Medium Enterprises	-		-	
ii) Others	<b>4,395.02</b>		3,393.06	
Interest Accrued not due	<b>226.26</b>		481.18	
Other Liabilities	<b>3,003.93</b>		8,878.47	
Book Overdraft	<b>81.74</b>		151.36	
		<b>7,706.95</b>		12,904.07
<b>B. PROVISIONS</b>				
Provision for Direct Taxes (Net of taxes paid)	<b>428.36</b>		1,960.20	
Provision for Fringe Benefit Tax (Net of taxes paid)	<b>11.36</b>		73.52	
Provision for Leave Encashment	<b>238.37</b>		255.42	
Provision for Gratuity	<b>247.06</b>		248.23	
Proposed Dividend	<b>629.23</b>		55.85	
Tax on Proposed Dividend	<b>104.51</b>		9.49	
		<b>1,658.89</b>		2,602.71
<b>TOTAL</b>		<b>9,365.84</b>		<b>15,506.78</b>

**Note:**

The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosures relating to amounts unpaid as at the year end together with interest paid /payable as required under the said Act have not been made.

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010 (Contd.)**

	FOR YEAR ENDED 31.03.2010		FOR YEAR ENDED 31.03.2009	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>SCHEDULE 8 - COMMISSION &amp; OTHER OPERATING INCOME</b>				
Travel and Tours Commission	<b>16,685.09</b>		14,651.68	
Income from Forex Division	<b>953.63</b>		857.74	
		<b>17,638.72</b>		15,509.42
<b>TOTAL</b>		<b>17,638.72</b>		<b>15,509.42</b>
<b>SCHEDULE 9 - OTHER INCOME</b>				
Interest:				
From Current investments	<b>547.27</b>		434.68	
[T.D.S. Rs.89.14 lacs; (Previous year Rs.98.49 lacs)]				
From Others	<b>25.83</b>		14.74	
[T.D.S. Rs.1.60 lacs; (Previous year Rs.3.09 lacs)]				
Dividend on Current Investments	<b>325.88</b>		-	
Profit on Sale of Current Investment	<b>6.72</b>		-	
Reversal of loss in value of Current Investment	<b>12.73</b>		-	
Profit on Sale of Fixed Assets	-		1.02	
Exchange Fluctuation Gain (Net)	<b>(360.09)</b>		161.30	
Miscellaneous Income	<b>6.10</b>		15.89	
		<b>564.44</b>		627.63
<b>TOTAL</b>		<b>564.44</b>		<b>627.63</b>
<b>SCHEDULE 10 - PERSONNEL EXPENSES</b>				
Salaries, Wages, Bonus and Allowances	<b>3,493.39</b>		2,790.55	
Contribution to Provident and Other Funds	<b>225.74</b>		194.50	
Payment / Provision for Gratuity	<b>13.76</b>		44.12	
Staff Training & Welfare Expenses	<b>186.96</b>		156.11	
		<b>3,919.85</b>		3,185.28
<b>TOTAL</b>		<b>3,919.85</b>		<b>3,185.28</b>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010 (Contd.)**

	FOR YEAR ENDED 31.03.2010		FOR YEAR ENDED 31.03.2009	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>SCHEDULE 11 - OTHER EXPENSES</b>				
Rent		<b>940.05</b>		845.28
Rates & Taxes		<b>57.47</b>		16.95
Electricity Expenses		<b>179.62</b>		130.11
Repairs & Maintenance for :				
Buildings	<b>6.87</b>		0.70	
Others	<b>58.26</b>	<b>65.13</b>	40.10	40.80
Insurance		<b>130.84</b>		61.82
Communication & Courier Expenses		<b>735.45</b>		662.61
Printing & Stationery		<b>115.47</b>		161.01
Books, Periodicals & Subscriptions		<b>96.96</b>		69.02
Legal & Professional Fees		<b>510.47</b>		226.54
Commission paid to Non-Executive Directors		<b>8.00</b>		8.99
Filing and Registration Fees		<b>4.44</b>		5.67
Travelling & Conveyance		<b>555.86</b>		511.11
Loss on Sale of Assets		<b>3.84</b>		2.19
Loss on Revaluation of Investment in Mutual Fund		-		11.98
Advertisement, Publicity & Business Promotion		<b>1,644.47</b>		2,404.05
General Expenses		<b>59.80</b>		51.06
Bad Debts		<b>11.04</b>		-
Donations		<b>10.15</b>		7.40
Computer Expenses		<b>122.15</b>		93.62
Security Charges		<b>53.06</b>		51.98
Statutory Expenses pertaining to Initial Public Offer		-		75.00
Auditors' Remuneration:				
Statutory Audit	<b>22.06</b>		15.44	
Other services	-		0.84	
		<b>22.06</b>		16.28
<b>TOTAL</b>		<b>5,326.33</b>		5,453.47

**Schedule 12 - Notes to Accounts**

**1. 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.

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, commissions/margins earned on foreign exchange transactions in the normal course of the business as Authorised Dealer and Franchisees 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. All revenues are accounted when there is reasonable certainty of its ultimate collection.

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 recognised 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 recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised 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.

## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (Contd.)

### Schedule 12 - Notes to Accounts (Contd...)

#### 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.

## 2. CONTINGENT LIABILITIES

- a) Guarantees given by banks Rs.12,924.02 Lacs (Previous Year Rs.106.72 Lacs)
  - b) Claims against the Company not acknowledged as debts estimated at Rs.1,279.37 Lacs (Previous Year Rs.1,406.34 Lacs)
  - c) Disputed income tax demand Rs.295.67 Lacs (Previous Year Rs.1,276.76 Lacs). The Company has made advance payment of Rs.50.91 Lacs (Previous Year Rs.618.95 Lacs) against the same.
  - d) Guarantees given to bank for loan taken by wholly owned subsidiaries company Rs.25,667.16 Lacs equivalent to USD 57 Million (Previous Year Rs.13,607.64 lacs equivalent to USD 32 Million)
3. Unsecured loan to the extent of Rs.9,000.00 Lacs (Previous Year Rs.10,000.00 Lacs) is secured by personal guarantee of a director.

## 4. (A) Loans and Advances in the nature of Loans given to Subsidiaries and Associates :

(Rs. in Lacs)

Sr. No.	Name of the Company	Type	As at 31 <sup>st</sup> March 2010	As at 31 <sup>st</sup> March 2009	Maximum Balance during the year
1.	Clearmine Limited	Subsidiary	405.82	-	405.82
2.	Cox & Kings Travel Ltd.	Subsidiary	738.53	-	1,555.70
3.	Quoprro Global Services Pvt. Ltd.	Subsidiary	1,294.60	648.19	1,294.60
4.	Cox & Kings (Australia) PTY Ltd.	Subsidiary	1,912.49	1,084.09	1,912.49
5.	Quoprro Global Limited, UK	Subsidiary	193.72	-	193.71
6.	Cox & Kings Singapore Pvt. Ltd.	Subsidiary	728.40	192.66	728.39
7.	Tulip Star Hotels Ltd.	Associate	2,029.24	1,638.48	2,029.24
8.	Royal Indian Rail Tours Limited	Joint venture	2,937.65	456.52	2,937.65

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (Contd.)**

**Schedule 12 - Notes to Accounts (Contd...)**

**Notes:**

- (a) Loans and Advances shown above, to Subsidiaries fall under the category of 'Loans & Advances' in nature of Loans where there is no repayment schedule and are re-payable on demand.
- (b) Some of the above loans and advances are interest bearing.
- (c) Loans to employees as per Company's policy are not considered.

**B) Investment by the loanee in the shares of the Company**

- (i) None of the loanees and / or subsidiary companies of loanees have, per se, made investments in shares of the Company. Investment by Cox & Kings Limited UK in equity shares of subsidiaries:

Sr. No.	Name of the Company	No. of Shares
1	Quoprro Global Hellas, Greece	600
2	Cox & Kings Travel Limited	639,000
3	Cox & Kings Japan Ltd.	153
4	Cox & Kings (Shipping) Ltd.	1,999
5	Cox & Kings Holdings Ltd.	2
6	Cox & Kings Enterprises Ltd.	99
7	C&K Investments Limited	2
8	Cox & Kings Special Interest Holidays Ltd.	1,999
9	Cox & Kings Tours Ltd.	2
10	Cox & Kings Investments Ltd.	1
11	Cox & Kings (Agents) Limited	1
12	Cox & Kings Finance Ltd.	1
13	Cox & Kings (Mauritius) Ltd.	12,000

- (ii) Investment by Cox and Kings Travel Ltd. UK in equity shares of subsidiaries:

Sr. No.	Name of the Company	No. of Shares
1	Cox & Kings Japan Ltd.	200
2	Grand Tours Ltd.	510
3	East India Travel Company Inc, (with effect from 08th April, 2009)	600

- (iii) Investment by Clearmine Limited UK in equity shares of subsidiaries:

Sr. No.	Name of the Company	No. of Shares
1	ETN Services Limited	2

- (iv) Investment by Cox & Kings (Australia) Pty. Ltd. in equity shares of subsidiaries:

Sr. No.	Name of the Company	No. of Shares
1	Tempo Holidays Pty Ltd.	117,000
2	MyPlanet Australia Pty Ltd, Australia	27,000
3	Bentours International Pty Ltd	125,000

- (v) Investment by Tempo Holidays Pty Ltd. in equity shares of subsidiaries:

Sr. No.	Name of the Company	No. of Shares
1	Tempo Holidays NZ Ltd.	1,000

- (vi) Investment by Cox & Kings Singapore Pvt. Ltd. in equity shares of subsidiaries:

Sr. No.	Name of the Company	No. of Shares
1	Quoprro Global Services Pte ltd.	200,000
2	Quoprro Global Services Pvt. Ltd, Hongkong	1

## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (Contd.)

### Schedule 12 - Notes to Accounts (Contd...)

(vii) Investment by Quopro Global Limited, UK in equity shares of subsidiaries:

Sr. No.	Name of the Company	No. of Shares
1	Cox and Kings GmbH, Germany	25,000

#### 5. Break up of Deferred Tax liability is as under.

(Rs. in Lacs)

Particulars		As at March 31, 2010	As at March 31, 2009
I)	Deferred Tax Liability (DTL)		
	i) Depreciation on fixed assets	-	11.44
	Total	-	11.44
II)	Deferred Tax Asset (DTA)		
	i) Depreciation on fixed assets	<b>31.32</b>	-
	ii) Provision for Leave encashment and Gratuity	<b>161.25</b>	171.18
	iii) Other disallowable items	-	180.00
	Total	<b>192.57</b>	351.18
III)	Net Deferred Tax : Liability / (Asset)	<b>(192.57)</b>	(339.74)

#### 6. Particulars of earnings per share:

Particulars	For the year ended 31.03.2010	For the yearended 31.03.2009
Net profit after tax (Rs. in Lacs)	<b>5,006.29</b>	3821.85
Weighted Average number of equity shares outstanding during the period (No. In Lacs)	<b>512.33</b>	433.48
Nominal value per share (Rs.)	<b>10</b>	10
Earning per share (Rs.)	<b>9.77</b>	8.82

#### 7. Expenditure in Foreign Currency

(Other than in the normal course of the business as Tour Operator and Foreign Exchange Restricted Authorised Dealer)

(Rs. in Lacs)

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
Travelling	<b>53.25</b>	40.15
Salary	<b>80.78</b>	61.55
Subscription	<b>63.07</b>	16.79
Legal and professional fees	<b>50.17</b>	19.33
Advertisement	<b>57.67</b>	19.37
Others.	<b>39.37</b>	104.45
Total	<b>344.31</b>	261.65

#### 8. Income in Foreign Currency

(Rs. in Lacs)

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
Travel, Tour and other receipts (As certified by Bankers)	<b>10,008.27</b>	12,972.77
Total	<b>10,008.27</b>	12,972.77



**Schedule 12 - Notes to Accounts (Contd...)**

**9.** Related party disclosures with respect of transactions during the period:

**I. List of Related parties:**

**Subsidiaries/Fellow Subsidiary**

Clearmine Limited  
 ETN Services Limited  
 Cox & Kings Singapore Pvt. Ltd. (Earlier known as "CNK Internet 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.  
 Cox & Kings (Agents) Limited  
 C&K Investments Limited  
 Grand Tours Ltd.  
 East India Travel Company Inc, (with effect from 08th April, 2009)  
 Cox & Kings (Australia) PTY Ltd.  
 Tempo Holidays Pty Ltd.  
 Tempo Holidays NZ Ltd.  
 Quoprro Global Services Pte Ltd.  
 Quoprro Global Services Pvt. Ltd.  
 Quoprro Global Limited, UK (with effect from 28th August 2009)  
 Quoprro Global Services Pvt. Ltd, Hongkong (with effect from 28th August 2009)  
 Quoprro Global Hellas, Greece (with effect from 23rd July 2009)  
 Cox and Kings Gmbh, (with effect from 22nd October 2009)  
 MyPlanet Australia Pty Ltd, Australia (with effect from 29th December 2009)  
 Bentours International Pty Ltd, Australia (with effect from 29th December 2009)

**Associates:**

Tulip Star Hotels Ltd.

**Joint Venture:**

Royale Indian Rail Tours Limited

**Key Management Personnel**

Mr. A.B.M Good – Chairman

Mr. Peter Kerkar – Director

Ms. Urrshila Kerkar – Director

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (Contd.)**

**Schedule 12 - Notes to Accounts (Contd...)**

**Relatives of Key Management Personnel**

Ms. Elizabeth Kerkar

**Enterprises over which Key Management Personnel and their relatives exercise significant influence**

Far Pavilions Tours and Travels Pvt. Ltd.

Ezeego One Travel and Tours Limited

**II. Transactions during the year with related parties**

(Excluding Reimbursements)

(Figures in italics are for previous year)

(Rs. in Lacs)

Nature of transaction	Subsidiaries	Associates/ Joint Venture	Key Management personnel	Relative of Key management personnel	Enterprises over which key management personnel or their relatives have significant influence	Total
Purchase	2,469.46 <i>3,818.22</i>	87.99 -	- -	22.06 -	1,154.51 <i>946.38</i>	3,734.02 <i>4,764.60</i>
Remuneration	- -	- -	95.43 <i>59.54</i>	- -	- -	95.43 <i>59.54</i>
Sales	3,029.42 <i>3,358.13</i>	134.64 -	- -	- -	12,181.84 <i>8,935.51</i>	15,345.90 <i>12,293.64</i>
Interest Received	511.15 <i>117.02</i>	263.01 <i>214.53</i>	- -	- -	1,022.17 <i>357.36</i>	1,796.33 <i>688.92</i>
Investment made during the year	22.22 <i>1.00</i>	- -	- -	- -	- -	22.22 <i>1.00</i>
Movement in Loans/Advances (net) debit/[credit(-)]	2,362.22 <i>2,502.97</i>	2,871.90 <i>764.16</i>	- -	- -	(-)1,023.35 <i>2,587.47</i>	4,210.77 <i>5,854.60</i>
Balances as at 31 <sup>st</sup> March [Debit/ [credit(-)]]						
- Debtors	1,390.21 <i>1,187.00</i>	131.95	-	-	5,812.55 <i>5,908.78</i>	7,334.71 <i>7,095.78</i>
- Advances	5,273.56 <i>103.70</i>	4,966.90 <i>2,419.63</i>	-	-	2,486.51 <i>3,509.86</i>	12,726.97 <i>6,033.19</i>
- Creditors	(-)1,544.43 <i>(-)1,417.32</i>	95.16 -	-	-	64.78 <i>76.65</i>	1,384.49 <i>1,340.67</i>
- Investment	6,683.04 <i>6,660.81</i>	390.25 <i>390.25</i>	-	-	2,000.00 <i>2,000.00</i>	9,073.29 <i>9,051.06</i>
- Financial Guarantees given	25,667.16 <i>13,607.64</i>	- -	-	-	- -	25,667.16 <i>13,607.64</i>

**Disclosures in respect of material related party transactions during the year:**

- Purchases include ETN Services Ltd Rs.734.75 Lacs (Previous year Rs.3,139.74 Lacs), Cox & Kings Tours (L.L.C.) Rs.1721.16 Lacs (Previous year Rs.678.49 Lacs) and Ezeego One Travels and Tours Ltd. Rs.1154.50 Lacs (Previous year Rs. 946.38 Lacs).
- Remuneration paid includes Rs.95.43 Lacs paid to Ms. Urrshila Kerkar. (Previous year Rs.55.83 Lacs )
- Sales include sales to Cox & Kings Travel Ltd. Rs.1,671.66 Lacs (Previous year Rs. 2,198.54 Lacs), Cox & Kings Japan Ltd. Rs.480.16 Lacs (Previous year Rs.575.62 Lacs) and Ezeego One Travels and Tours Ltd. Rs.12,181.84 Lacs (Previous year Rs.8,935.51 Lacs).
- Interest received includes Cox & Kings Tours (L.L.C.) Rs.173.87 Lacs (Previous year Rs.26.75 Lacs), Cox & Kings (Australia) PTY Ltd. Rs.200.44 Lacs (Previous year Rs.45.93 Lacs), Tulip Star Hotels Ltd. Rs.263.01 Lacs (Previous year Rs.214.53 Lacs), Far Pavilions Tours & Travels Limited Rs.137.98 Lacs (Previous year Rs.117.70 Lacs) and Ezeego One Tours & Travels Ltd. Rs.848.93 Lacs (Previous year Rs.239.66 Lacs).

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (Contd.)**

**Schedule 12 - Notes to Accounts (Contd...)**

5. Investments during the year are Rs.22.22 Lacs made in Quoppro Global Services Pvt. Ltd. UK (Previous year Rs.1.00 Lacs in Quoppro Global Services Pvt. Ltd. India).
6. Movement in Loans / advances include: -
  - a) Advance to Royale Indian Rail Tours Ltd. for Rs.2,481.13 Lacs (Previous year Rs.456.53 Lacs), Cox and Kings (Australia) Pty. Ltd. Rs.1,912.49 Lacs (Previous year Rs.884.12 Lacs) Quoppro Global Services Pvt. Ltd. Rs.646.41 Lacs (Previous year Rs.543.49 Lacs), and Cox and Kings Travel Ltd. Rs.738.53 Lacs (Previous year NIL)
  - b) Repayment from Cox and Kings Tours LLC Dubai for Rs.986.40 Lacs (Previous Year Rs.899.45 Lacs), repayment from Ezeego One Travel and Tours Ltd. Rs.676.68 Lacs (Previous year repayment of Rs. 2,439.70 Lacs), repayment from Far Pavilion Tours & Travels Pvt. Ltd. For Rs.346.67 Lacs (Previous year Rs.147.77 Lacs) and repayment from Liz Investment Pvt. Ltd. Rs.324.63 Lacs (Previous year Rs.63.41 Lacs)
7. Bank Guarantees includes Cox and Kings (Australia) Pty Ltd. Rs.14,409.63 Lacs (Previous year Rs.13,607.64 Lacs and Cox and Kings Travel Ltd. Rs.11,257.53 Lacs (Previous year Nil.)

**10. Managerial Remuneration:**

(Rs. in Lacs)

	<b>For the year ended 31.03.2010</b>	For the year ended 31.03.2009
<b>Managerial Remuneration</b>		
Salaries & Perquisites	<b>95.43</b>	59.54
Commission	<b>8.00</b>	8.98
(a)	<b>103.43</b>	68.52

**Computation of Net Profit in accordance with section 349 of the Company Act, 1956:**

Profit before Taxation	<b>7,549.68</b>	6,091.46
Add: Depreciation as per accounts	<b>524.96</b>	422.37
Loss on Sale / Discarding of Fixed Assets	<b>3.84</b>	2.19
Investment Written off / provided for	-	11.98
Managerial Remuneration	<b>103.43</b>	68.52
Less: Depreciation as per Section 350 of Companies Act, 1956	<b>524.96</b>	422.37
Profit on sale of Fixed Assets	-	1.02
Profit on sale of Investment	<b>6.72</b>	-
Reversal of loss in value of Current Investment	<b>12.73</b>	-
Net Profit for the year	<b>7,637.51</b>	6,173.13
<b>Eligible Salaries, Perquisites and Commission @ 10% of above</b>	<b>763.75</b>	617.31

The total remuneration as stated in (a) above is within the maximum permissible limit under the Act

11. The Company operates in only one business segment, namely Tours and Travel as defined in Accounting Standard 17 (Segment Reporting) notified by Companies (Accounting Standard) Rules, 2006.

**12. Disclosure for Lease:**

**Operating Lease:** Disclosure in respect of Non-cancellable agreements for office and residential premises taken on lease:

(Rs. in Lacs)

Particulars	<b>For the year ended 31.03.2010</b>	For the year ended 31.03.2009
Future minimum lease payments under non-cancellable agreements		
- Not Later than one year	<b>139.62</b>	10.78
- Later than one year and not later than five years	<b>258.92</b>	503.03
- Later than five years	<b>NIL</b>	NIL

## Schedules forming part of the financial statements for the year ended March 31, 2010 (Contd.)

### Schedule 12 - Notes to Accounts (Contd...)

13. 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, recognized as expense for the year are as under:

(Rs. in Lacs)

Defined Contribution Plan	For the year ended 31.03.2010	For the year ended 31.03.2009
Employer's Contribution to Provident Fund	123.19	86.59
Employer's Contribution to Pension Scheme	69.91	73.90

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)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	For the year ended 31.03.2010	For the year ended 31.03.2009	For the year ended 31.03.2010	For the year ended 31.03.2009
Defined Benefit Obligation at the beginning of the period	248.23	220.23	255.42	185.08
Current service cost	46.55	33.94	105.42	71.52
Interest cost	23.15	19.84	27.87	19.47
Contribution by the plan participants	-	-	-	-
Actuarial (gain)/ loss	(60.09)	(13.50)	(125.39)	5.86
Benefits paid	(10.78)	(12.29)	(24.96)	(26.51)
Defined Benefit Obligation at the end of the period	247.06	248.23	238.37	255.42

#### II. Reconciliation of fair value of assets and obligations

(Rs. in Lacs)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	For the year ended 31.03.2010	For the year ended 31.03.2009	For the year ended 31.03.2010	For the year ended 31.03.2009
Fair Value of Plan assets as on 31 <sup>st</sup> March	-	-	N.A.	N.A.
Present Value of benefit obligation as on 31 <sup>st</sup> March	247.06	248.23	238.37	255.42
Amount to be recognised in Balance Sheet	247.06	248.23	238.37	255.42

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (Contd.)**

**Schedule 12 - Notes to Accounts (Contd...)**

**III. Expenses recognised during the year**

(Rs. in Lacs)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	For the year ended 31.03.2010	For the year ended 31.03.2009	For the year ended 31.03.2010	For the year ended 31.03.2009
Current Service Cost	46.55	33.94	105.42	71.52
Interest cost on benefit obligation	23.15	19.84	27.87	19.47
Auctorial (gain)/ loss recognized in the year	(60.09)	(13.50)	(125.39)	5.86
Past service Cost	-	-	-	-
Net benefit expense	9.61	40.28	7.90	96.85

**IV. Actuarial assumptions**

(Rs. in Lacs)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	For the year ended 31.03.2010	For the year ended 31.03.2009	For the year ended 31.03.2010	For the year ended 31.03.2009
Discount Rate (per annum)	8.25%	8.00%	8.25%	8.00%
Expected rate of return on assets (per annum)	-	-	-	-
Rate of escalation in salary (per annum)	4.00%	4.00%	4.00%	4.00%

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.

**14. Financial and Derivatives Instruments:**

Derivative contracts entered into by the company and outstanding as on 31<sup>st</sup> March, 2010

(1) For hedging currency related risk:

Nominal amount of Forward contracts entered into by the company and outstanding as on 31<sup>st</sup> March, 2010 amounted to Rs. 306.63 lacs (Previous year Rs. NIL)

(2) Foreign Currency exposure that are not hedged by derivative instrument as on 31<sup>st</sup> March, 2010 amount to Rs.2,158.59 Lacs only (Previous year Rs. 1,852.79 Lacs only) in terms of Debtors and Rs.182.41 Lacs only (Previous year Rs.781.13 Lacs only) in terms of Creditors.

**15. In compliance with AS - 27 'Financial Reporting of Interests in Joint Ventures', the required information is as under:**

Jointly controlled entities

	Country of Incorporation	Percentage of ownership interest	
		as on 31.03.2010	as on 31.03.2009
Royal Indian Rail Tours Limited	India	50%	50%

## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (Contd.)

### Schedule 12 - Notes to Accounts (Contd...)

In respect of jointly controlled entities, the Corporation's share of assets, liabilities, income, expenditure, contingent liabilities and capital commitments compiled on the basis of audited financial statements received from these joint ventures are as follows:

(Rs. in Lacs)

	As at 31.03.2010	As at 31.03.2009
(i) Assets	<b>1,423.95</b>	445.45
- Long Term Assets	<b>159.30</b>	-
- Current Assets	<b>1,264.65</b>	445.45
(ii) Liabilities	<b>1,587.51</b>	229.15
- Loans (Secured & Unsecured)	<b>1,112.50</b>	200.00
- Current Liabilities and Provisions	<b>475.01</b>	29.15
(iii) Income	<b>92.97</b>	2.07
(iv) Expenses	<b>269.67</b>	35.76
(v) Miscellaneous Expenditure to extent not written off	<b>207.58</b>	-

### 16. Proceeds from IPO

Pursuant to the approval of the shareholders of the Company in an AGM held on 10<sup>th</sup> August, 2009 the Company has issued and allotted through Initial Public Offering (IPO) 18,496,640 equity shares of Rs.10 each at a premium of Rs.320 per share to all categories of investors. The issue has been made in accordance with the terms of the Company's prospectus dated 27<sup>th</sup> November 2009.

The Proceeds raised from the issue upto March 31, 2010 are given below:

Particular	Rs. in Lacs
<b>Funds received upto March 31, 2010</b>	
Equity Share Capital	1,545.00
Securities Premium	49,440.00
<b>Total</b>	<b>50,985.00</b>

The amount raised through public issue has been utilized upto March 31, 2010 are given below:

(Rs. in Lacs)

Sr. No.	Particulars	Projected	Actual
1	Repayment of Loans	12,960.00	8,470.00
2	Acquisitions & Other Strategic Initiatives	15,000.00	1,600.00
3	Investment in Overseas Subsidiaries	6,250.00	887.00
4	Investment in Corporate Office & Upgrading our existing Operations	6,000.00	203.00
5	General Corporate Purposes	4,557.00	4,557.00
6	Meeting Fresh Issue related Expenses	6,218.00	5,817.38
	<b>Total</b>	<b>50,985.00</b>	<b>21,534.38</b>

Pending utilisation, the balance proceeds have been temporarily invested in:

Sr. No.	Particulars	Actual (Rs. In lacs)
1	Mutual Funds	21,107.08
2	Fixed Deposit and Current account	8,343.54
	<b>Total</b>	<b>29,450.62</b>

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
MARCH 31, 2010 (Contd.)****Schedule 12 - Notes to Accounts (Contd...)**

- 17.** The Ministry corporate affairs, Government of India vide its order no. 47/328/2010-CL-III dated 5<sup>th</sup> May, 2010 has granted approval that the requirement to attach various documents in respect of subsidiary companies, as set out in subsection (1) of section 212 of the Companies Act, 1956, shall not apply to the company. As per the order, financial information of each subsidiary is attached.
- 18.** 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.
- 19.** Information as required under Part II of Schedule VI of the Companies Act, 1956 is given to the extent applicable.
- 20.** Particulars required to be furnished in terms of Part IV of Schedule VI to the Companies Act, 1956 is enclosed in the Annexure.
- 21.** Debtors include Rs.5,944.50 lacs (Previous year Rs.5,908.78 lacs) receivable from following company under same management:
- i. Ezeego One Travel and Tours Limited
  - ii. Royale Indian Rail Tours Limited
- 22.** Previous year's figures have been regrouped / rearranged where necessary to conform to current reporting period classification.
- Signatures to Schedules 1 to 12.

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As per our attached report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**For and on behalf of the Board**

**Rajesh Chaturvedi**  
Partner

**Urrshila Kerkar**  
Director

**Peter Kerkar**  
Director

Place: Mumbai  
Date : 29th May, 2010

**Rashmi Jain**  
Company Secretary

## STATEMENT REGARDING SUBSIDIARY COMPANY PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956

Name of Subsidiary Company	Financial year to which accounts relate	Holding Company's Interest at close of the financial year of the Subsidiary Company			Net aggregate amount of profit/ (losses) of the subsidiary so far as they concern members of the Company		Net aggregate amount of profit/ (losses) of the previous year of the subsidiary, since it become subsidiary of the Company so far as they concern members of the Company	
		Share Holding		Extent of holding %age	dealt with the accounts of the Company for the year ended 31st March 2010	not dealt with the accounts of the Company for the year ended 31st March 2010	dealt with the accounts of the Company for the year ended 31st March 2009	not dealt with the accounts of the Company for the year ended 31st March 2009
		Number of Shares	Face Value					
						(Rs. in Lacs)		(Rs. in Lacs)
Bentours International Pty Ltd, Australia (with effect from 29th December 2009)	31-Mar-10	125000	AUD 1	100%	Nil	-	Nil	-
C&K Investments Limited	31-Mar-10	1	£ 1	100%	Nil	-	Nil	-
Clearmine Limited	31-Mar-10	1500	£ 1	100%	Nil	(0.43)	Nil	93.46
Cox & Kings (Agents) Limited	31-Mar-10	1	£ 1	100%	Nil	-	Nil	-
Cox & Kings (Australia) PTY Ltd.	31-Mar-10	1000	AUD 1	100%	Nil	2,167.78	Nil	(1,696.25)
Cox & Kings (Mauritius) Ltd.	31-Mar-10	12000	USD 1	100%	Nil	(5.99)	Nil	(30.32)
Cox & Kings (Shipping) Ltd.	31-Mar-10	2000	£ 1	100%	Nil	-	Nil	(4.54)
Cox & Kings Enterprises Ltd.	31-Mar-10	100	£ 1	100%	Nil	-	Nil	-
Cox & Kings Finance Ltd.	31-Mar-10	1	£ 1	100%	Nil	-	Nil	-
Cox & Kings Holdings Ltd.	31-Mar-10	2	£ 1	100%	Nil	-	Nil	-
Cox & Kings Investments Ltd.	31-Mar-10	1	£ 1	100%	Nil	-	Nil	-
Cox & Kings Japan Ltd.	31-Mar-10	247	JPY 50000	100%	Nil	1,034.05	Nil	852.23
Cox & Kings Ltd.	31-Mar-10	1427875	£ 1	100%	Nil	42.88	Nil	347.02
Cox & Kings Singapore Pvt. Ltd. (Earlier known as "CNK Internet Pte. Ltd")	31-Mar-10	100000	SGD 1	100%	Nil	(375.92)	Nil	(98.12)
Cox & Kings Special Interest Holidays Ltd.	31-Mar-10	2000	£ 1	100%	Nil	-	Nil	(26.36)
Cox & Kings Tours (L.L.C)	31-Mar-10	300	AED 1000	100%	Nil	764.12	Nil	463.64
Cox & Kings Tours Ltd.	31-Mar-10	2	£ 1	100%	Nil	-	Nil	-
Cox & Kings Travel Ltd.	31-Mar-10	639000	£ 1	100%	Nil	2,224.43	Nil	1,692.78
Cox and Kings GmbH, (with effect from 22nd October 2009)	31-Mar-10	25000	£ 25000	100%	Nil	(10.42)	Nil	-
East India Travel Company Inc, (with effect from 08th April, 2009)	31-Mar-10	600	USD 1	100%	Nil	605.41	Nil	-
ETN Services Limited	31-Mar-10	2	£ 1	100%	Nil	679.11	Nil	373.89
Grand Tours Ltd.	31-Mar-10	210	£ 1	100%	Nil	-	Nil	(0.35)
MyPlanet Australia Pty Ltd, Australia (with effect from 29th December 2009)	31-Mar-10	27000	AUD 1	100%	Nil	(215.87)	Nil	-
Quorro Global Hellas, Greece (with effect from 23rd July 2009)	31-Mar-10	600	£ 30	100%	Nil	(6.62)	Nil	-
Quorro Global Limited, UK (with effect from 28th August 2009)	31-Mar-10	1	GBP 1	100%	Nil	(3.25)	Nil	-
Quorro Global Services Pte Ltd.	31-Mar-10	200000	SGD 1	100%	Nil	(71.99)	Nil	(56.72)
Quorro Global Services Pvt. Ltd, Hongkong (with effect from 28th August 2009)	31-Mar-10	1000000	HK \$1	100%	Nil	1.37	Nil	-
Quorro Global Services Pvt. Ltd.	31-Mar-10	10000	INR 10	100%	Nil	-	Nil	(3.46)
Tempo Holidays NZ Ltd.	31-Mar-10	1000	NZD 1	100%	Nil	88.75	Nil	(7.27)
Tempo Holidays Pty Ltd.	31-Mar-10	117000	AUD 1	100%	Nil	1,227.93	Nil	590.20



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I CIN : U 9 9 9 9 9 M H 1 9 3 9 P L C 0 1 1 3 5 2  
 Registration No. : 1 1 3 5 2 State Code : 1 1  
 Balance Sheet Date : 3 1 0 3 2 0 1 0  
 Date Month Year

**II Capital raised during the year (Rs. in lacs)**

Public Issue : 1 5 4 5 Right Issue : 1 9 5 5

Bonus Issue : N I L Private Placement : N I L

**III Position of Mobilisation and Deployment of Funds (Rs. in lacs)**

Total Liabilities : 9 3 4 6 1 Total Assets : 9 3 4 6 1

**Sources of Funds**

Paid-up Capital : 6 2 9 2 Reserves & Surplus : 6 3 6 0 2

Secured Loans : 1 4 5 6 7 Unsecured Loans : 9 0 0 0

**Application of Funds**

Net Fixed Assets : 2 6 6 8 Investments : 3 2 3 4 0

Net Current Assets : 5 8 2 6 0 Net Deferred Tax Assets : 1 9 3

**IV Performance of Company (Rs. in lacs)**

Turnover : 1 7 6 3 9 Other Income : 5 6 4

Total Income : 1 8 2 0 3 Total Expenditure : 1 0 6 5 3

Profit Before Tax : 7 5 5 0 Profit After Tax : 5 0 0 6

Earning per Share (in Rs.) : 9 . 7 7 Dividend rate % : 1 0

(Annualised)

**V Generic Names of Three Principal Products / Services of Company (as per monetary terms)**

Product Description : Tours and Travel Operator

As per our attached report of even date

**For Chaturvedi & Shah**

Chartered Accountants

**For and on behalf of the Board**

**Rajesh Chaturvedi**

Partner

**Urrshila Kerkar**

Director

**Peter Kerkar**

Director

Place: Mumbai

Date : 29th May, 2010

**Rashmi Jain**

Company Secretary

## **Consolidated Financial Statements & Notes**

## AUDITORS' REPORT

To The Board of Directors

### **Cox and Kings (India) Limited**

We have audited the attached Consolidated Balance Sheet of Cox and Kings (India) Limited (the Company) and its Subsidiaries and its joint ventures (collectively referred to as "the Group") as at 31st March 2010, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. We did not audit the financial statements of all subsidiaries and joint ventures, whose financial statements/ consolidated financial statements reflect total assets of Rs. 50,224.25 Lacs as at 31st March, 2010, total revenue of Rs. 22,276.67 Lacs and net cash inflows amounting to Rs. 12,831.64 Lacs for the year then ended, and financial statements of an associate in which the share of loss of the Group is Rs. 96.23 Lacs. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
2. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements and Accounting Standards (AS) 23, Accounting for Investments in Associates and Accounting Standards (AS) 27, Accounting for Investments in Joint Ventures, notified by Companies (Accounting Standards) Rules, 2006.
3. Based on our audit as aforesaid, and on consideration of reports of other auditors on the separate financial statements and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March 2010;
  - (ii) in the case of the Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and
  - (iii) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For **Chaturvedi & Shah**  
Firm Registration No. 101720W  
Chartered Accountants

**Rajesh Chaturvedi**  
Partner  
Membership No.: 45882

Place: Mumbai

Date : 29th May 2010

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	Schedule No.	As At 31.03.2010		As At 31.03.2009	
		Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	6,292.29		2,792.53	
Reserves & Surplus	2	74,718.93		19,943.98	
			81,011.22		22,736.51
<b>Loan Funds</b>	3				
Secured Loans		29,459.67		23,634.66	
Unsecured Loans		20,972.92		11,780.30	
			50,432.59		35,414.96
<b>Deferred Tax Liability</b> (Refer note 5 of Schedule 13)			475.20		216.39
<b>TOTAL</b>			<b>131,919.01</b>		<b>58,367.86</b>
<b>APPLICATIONS OF FUNDS</b>					
<b>Fixed Assets</b>	4				
Gross Block		13,371.52		11,733.77	
Less : Depreciation/Amortisation		6,154.22		4,587.34	
Net Block		7,217.30		7,146.43	
Goodwill on Consolidation		21,750.32		11,102.30	
		28,967.62		18,248.73	
Capital Work In Progress		2,044.81		1,032.41	
			31,012.43		19,281.14
<b>Investments</b>	5		25,838.34		4,569.87
<b>Deferred Tax Assets</b> (Refer note 5 of Schedule 13)			338.96		382.27
<b>Current Assets, Loans &amp; Advances</b>	6				
Inventories		829.15		352.75	
Sundry Debtors		30,205.95		23,216.27	
Cash & Bank Balances		37,466.80		6,338.16	
Loans & Advances		27,151.61		26,220.72	
		95,653.51		56,127.90	
<b>Less : Current Liabilities and Provisions</b>	7				
Current Liabilities		17,694.91		18,355.68	
Provisions		3,436.90		3,637.64	
		21,131.81		21,993.32	
<b>Net Current Assets</b>			74,521.70		34,134.58
<b>Miscellaneous Expenditure</b>	8		207.58		-
<b>TOTAL</b>			<b>131,919.01</b>		<b>58,367.86</b>
<b>Notes to Accounts</b>	13				

As per our attached report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**Rajesh Chaturvedi**  
Partner

Place: Mumbai  
Date : 29th May, 2010

**For and on behalf of the Board**

**Urrshila Kerkar**  
Director

**Rashmi Jain**  
Company Secretary

**Peter Kerkar**  
Director

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule No.	For the year ended 31.03.2010		For the year ended 31.03.2009	
		Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>INCOME</b>					
Commission and Other Operating Income	<b>9</b>	<b>39,915.40</b>		28,690.02	
Other Income	<b>10</b>	<b>4,211.43</b>		666.12	
			<b>44,126.83</b>		29,356.14
<b>EXPENDITURE</b>					
Personnel Expenses	<b>11</b>	<b>9,940.77</b>		7,905.76	
Other Expenses	<b>12</b>	<b>11,330.95</b>		8,651.67	
Interest and Finance Charges (Net)		<b>2,697.41</b>		2,013.33	
Depreciation		<b>1,507.18</b>		956.95	
			<b>25,476.31</b>		19,527.71
<b>Profit before tax</b>			<b>18,650.52</b>		9,828.43
<b>Less :</b> Provision for Tax					
Current			<b>4,764.67</b>		3,539.47
Deferred			<b>404.63</b>		(131.97)
Fringe Benefit Tax			-		81.36
<b>Profit after tax</b>			<b>13,481.22</b>		6,339.57
Less : Share of Loss from Investment in Associates			<b>96.23</b>		63.09
<b>Group Profit after tax</b>			<b>13,384.99</b>		6,276.48
<b>Add:</b> Tax Provision in respect of earlier years written back			-		4.36
<b>Profit after tax for the year</b>			<b>13,384.99</b>		6,280.84
<b>Add:</b> Balance of Profit brought forward from previous year			<b>15,887.73</b>		9,672.23
<b>Profit available for appropriation</b>			<b>29,272.72</b>		15,953.07
<b>Appropriation :</b>					
Proposed Final Dividend			<b>629.23</b>		55.85
Tax on dividend			<b>104.51</b>		9.49
<b>Balance carried forward to Balance Sheet</b>			<b>28,538.98</b>		15,887.73
<b>Notes to Accounts</b>	<b>13</b>				
<b>Earnings per share - Basic and Diluted</b>			<b>26.13</b>		14.49
<b>(Face value of Rs. 10 per share)</b> (Refer note 6 of Schedule 13)					

As per our attached report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**Rajesh Chaturvedi**  
Partner

Place: Mumbai  
Date : 29th May, 2010

**For and on behalf of the Board**

**Urrshila Kerkar**  
Director

**Rashmi Jain**  
Company Secretary

**Peter Kerkar**  
Director

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	FY 2009-10 Rs. in Lacs	FY 2008-09 Rs. in Lacs
<b>Cash Flow from Operating Activities</b>		
Profit before Tax	<b>18,650.52</b>	9,828.43
<b>Adjustment for:</b>		
Depreciation	<b>1,507.18</b>	956.95
Profit on sale of Investment	<b>(6.72)</b>	-
Dividend on Investment	<b>(325.88)</b>	-
Interest Income	<b>(700.70)</b>	(559.72)
Interest Expense	<b>2,697.41</b>	2,013.33
Bad Debt	<b>21.18</b>	128.71
Revaluation of Mutual Fund	<b>(12.73)</b>	11.98
Foreign Exchange Reserve on Translation	<b>(2,550.71)</b>	(175.95)
Loss on sale of Fixed Assets (Net)	<b>8.89</b>	11.21
<b>Operating profit before working capital changes</b>	<b>19,288.44</b>	12,214.94
Adjustment for:		
(Increase)/Decrease in Inventories	<b>(476.40)</b>	52.60
(Increase)/Decrease in Trade Receivable	<b>(5,798.85)</b>	(5,283.58)
(Increase)/Decrease in Loans and Advances	<b>277.67</b>	(11,423.19)
(Increase)/Decrease in Miscellaneous Expenditure	<b>(207.58)</b>	-
Increase/(Decrease) in Current Liabilities	<b>(2,122.13)</b>	(3,511.70)
Cash Generated from Operations	<b>10,961.15</b>	(7,950.93)
Income Taxes Paid	<b>(5,839.40)</b>	(1,635.72)
<b>Net cash flow from operating activities</b>	<b>5,121.75</b>	(9,586.65)
	A	
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	<b>(2,113.65)</b>	(2,126.34)
Increase in Capital work in progress	<b>(1,012.39)</b>	(778.62)
Sale of Fixed Assets	<b>9.82</b>	54.46
Interest Received	<b>242.57</b>	559.72
Dividend Received	<b>325.88</b>	-
Purchase of Investments	<b>(124,769.34)</b>	-
Investment in Subsidiary	<b>(10,098.58)</b>	(11,550.93)
Sale of Investments	<b>103,423.46</b>	-
<b>Net cash used in investing activities</b>	<b>(33,992.23)</b>	(13,841.71)
	B	

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010 (Contd.)

	FY 2009-10 Rs. in Lacs	FY 2008-09 Rs. in Lacs
<b>Cash Flow from Financing Activities</b>		
Increase/(Decrease) in borrowings (Net)	15,017.63	22,451.81
Issue of Shares	52,939.77	-
Expenses for Initial Public Offer	(5,817.38)	-
Dividend Paid	(65.34)	(65.34)
Interest Paid	(2,955.61)	(2,013.33)
<b>Net cash flow from financing activities</b>	<b>59,119.07</b>	<b>20,373.14</b>
<b>Net Increase in cash and Cash equivalents (A+B+C)</b>	<b>30,248.59</b>	<b>(3,055.22)</b>
<b>Cash and Cash equivalents</b>		
at the beginning of the period	6,179.29	4,804.13
added on acquisition of Subsidiary	957.19	4,430.38
at the end of the period	37,385.07	6,179.29
<b>Net Increase in cash and Cash equivalents</b>	<b>30,248.59</b>	<b>(3,055.22)</b>
Cash and cash equivalents are as per schedule 6 to the financial statements (adjusted for the Book Overdraft)		
Significant accounting policies and notes to accounts	13	

As per our attached report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**For and on behalf of the Board**

**Rajesh Chaturvedi**  
Partner

**Urrshila Kerkar**  
Director

**Peter Kerkar**  
Director

Place: Mumbai  
Date : 29th May, 2010

**Rashmi Jain**  
Company Secretary

## Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

	As At 31.03.2010		As At 31.03.2009	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>SCHEDULE 1 - SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
110,000,000 (Previous Year 110,000,000 Equity Shares of Rs.10/- each		<b>11,000.00</b>		11,000.00
		<b>11,000.00</b>		11,000.00
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>				
62,922,942 (Previous Year 27,925,260) Equity Shares of Rs.10/- each fully paid up		<b>6,292.29</b>		2,792.53
(Of the above:				
i) 1,139,815 (Previous year 1,139,815) Equity Shares of Rs.10/- each were issued pursuant to a contract without payment being received in cash				
ii) 19,443,945 (Previous year 19,443,945) Equity Shares of Rs.10/- each were issued as bonus shares by capitalisation of Reserves)				
<b>TOTAL</b>		<b>6,292.29</b>		2,792.53
<b>SCHEDULE 2 - RESERVES &amp; SURPLUS</b>				
<b>CAPITAL RESERVE</b>		<b>28.68</b>		17.50
<b>REVALUATION RESERVE</b>		<b>305.41</b>		333.71
<b>SHARE PREMIUM:</b>				
As per last Balance Sheet		<b>4,054.71</b>	4,054.71	
Add : On Shares allotted during the Period		<b>49,440.00</b>	-	
Less : Expenses for Initial Public Offer		<b>(5,817.38)</b>	-	
		<b>47,677.33</b>		4,054.71
<b>STATUTORY RESERVE</b>		-		-
<b>FOREIGN EXCHANGE EARNINGS RESERVE</b>		<b>56.17</b>		56.17
<b>FOREIGN EXCHANGE TRANSLATION RESERVE</b>		<b>(1,887.64)</b>		(405.84)
<b>BALANCE IN PROFIT &amp; LOSS ACCOUNT</b>		<b>28,538.98</b>		15,887.73
<b>TOTAL</b>		<b>74,718.93</b>		19,943.98



## Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

	AS AT 31.03.2010		AS AT 31.03.2009	
<b>SCHEDULE 3 - LOAN FUNDS</b>				
<b>I SECURED LOANS</b>				
a) Bank Overdraft	-		4,265.79	
b) Loans from Banks	29,400.33		19,289.37	
c) Loans from Others	59.34		79.50	
		29,459.67		23,634.66
<b>II UNSECURED LOANS</b>				
a) Inter-Corporate Deposits	-		202.00	
b) Non-convertible Debentures	7,000.00		8,000.00	
c) Loans from Banks	13,972.92		3,266.38	
d) Corporate Bonds	-		311.92	
		20,972.92		11,780.30
<b>TOTAL</b>		<b>50,432.59</b>		<b>35,414.96</b>

### Notes:

- Loan to the extent of Rs. 4,503.01/- (previous year Rs.NIL ) referred to in I (b) above is secured against first ranking charge on all its current assets, both present and future, excluding credit card receivables.
- Loan to the extent of Rs.8,494.97 lacs (Previous year Rs.5000.00 lacs) referred to in I (b) is secured against credit card receivables; second charge on the current assets of the company, present and future and Personal Guarantee of two Directors.
- Loan to the extent of Rs.109.24 lacs (Previous year Rs.148.07 lacs) referred to in I (b) is secured against respective vehicles purchased.
- Loan to the extent of Rs.1,400.00 lacs (Previous year Rs.NIL) referred to in I (b) is secured by pledge of shares held by company in JV company and Personal Guarantee of two Directors.
- Loan to the extent of Rs.7330.07 lacs (Previous year Rs.4690.52 lacs) referred to in I (b) is secured by all the receivables, moveables, intangibles asstes and immovable assets of East India Travel Inc and collateral of all receivables, movable assets, intangible assets, immovable assets of Cox & Kings Travel Ltd., UK
- Loan to the extent of Rs.7563.04 lacs (Previous year Rs.8846.90 lacs) referred to in I (b) is secured by all current and future revenue, moveable and immovable assets including intangible assets of Cox & Kings (Australia) Pty Ltd. and its subsidiaries and a collateral security by way of pledge of shares of Cox & Kings (Australia) Pty Ltd. and its Subsidiaries.
- Loan to the extent of Rs.NIL (previous year Rs.1833.98 lacs) referred to in I (a) above is secured against present and future assets,including mortgage of residential property held by Cox and Kings Travel Ltd. and Corporate guarantee of Cox & Kings Ltd.,
- Loan to the extent of Rs.NIL (Previous year Rs. 2,431.81 lacs) referred to in I (a) above and Loan to the extent of Rs. NIL (Previous year Rs. 603.88 lacs) referred to in I (b) is secured against execution of Demand Promissory Note, Hypothication Company movable and immovable assets, Shares of Group Company, Personal Guarantee of a Director.
- Loan referred to in I (c) is secured against respective vehicles purchased.
- Debentures referred to in II (b) above are redeemable at par, in one or more installments, on various dates with the earliest redemption being on 7th October, 2010 and the last being on 15th November, 2010.

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 (CONTD.)

P A R T I C U L A R S	GROSS BLOCK			DEPRECIATION/ AMORTISATION			NET BLOCK		
	AS ON 01.04.2009	ADDITIONS* SALE/ ADJ	AS ON 31.03.2010	UPTO 01.04.2009	FOR THE PERIOD	SALE/ ADJ**	UPTO 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
<b>TANGIBLE</b>									
Lease Hold Land	601.16	6.72	558.42	100.04	45.41	13.13	132.32	426.10	501.12
Residential Flats	1,393.04	-	1,276.69	9.09	0.60	-	9.69	1,267.00	1,383.95
Computer and Printers	5,087.34	778.22	5,542.20	2,318.48	593.02	173.51	2,737.99	2,804.21	2,768.86
Electrical Installations & Fittings	270.38	89.36	355.57	128.52	20.96	2.53	146.95	208.62	141.86
Office Equipments	1,058.52	158.60	1,312.83	776.74	116.15	(162.05)	1,054.94	257.89	281.78
Furniture & Fixtures	724.79	267.89	927.82	433.64	93.86	(94.08)	621.58	306.24	291.15
Leasehold Improvements	631.90	211.58	841.69	227.91	214.73	(6.88)	449.52	392.17	403.99
Vehicles	596.41	16.59	581.07	183.35	97.14	6.76	273.73	307.34	413.06
<b>INTANGIBLE</b>									
Database	95.37	-	95.37	95.37	-	95.37	-	-	-
Softwares	1,274.86	1,234.84	1,959.83	314.20	325.09	(87.99)	727.28	1,232.55	960.66
Patents, Trade Marks, Designs	-	15.40	15.40	-	0.22	-	0.22	15.18	-
TOTAL	11,733.77	2,779.20	13,371.52	4,587.34	1,507.18	(59.70)	6,154.22	7,217.30	7,146.43
Add: Capital Work In Progress									
Tangible								153.74	3.14
Intangible								1,891.07	1,029.27
TOTAL	-	-	-	-	-	-	-	2,044.81	1,032.41
TOTAL	11,733.77	2,779.20	13,371.52	4,587.34	1,507.18	(59.70)	6,154.22	7,217.30	7,146.43
PREVIOUS YEAR	8,520.04	3,624.41	11,733.77	3,230.76	1,540.98	184.40	4,587.34	7,146.43	

Notes:

(1) Cost of Residential Flats include 3,676 shares of Rs. 10/- each fully paid up in Century Galaxy Developers Limited.

\*(2) Additions include Assets acquired as a result of Acquisition of Subsidiaries

\*\*(3) Sale/ADJ of Depreciation reserve includes Depreciation reserve of Assets Acquired on account of Acquisition of Subsidiaries

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 (CONTD.)**

	<b>As At 31.03.2010</b>	<b>As At 31.03.2009</b>
	<b>Rs. in Lacs</b>	<b>Rs. in Lacs</b>
<b>SCHEDULE 5 - INVESTMENTS</b>		
<b>(LONG TERM - AT COST, UNLESS OTHERWISE STATED)</b>		
<b>A. TRADE INVESTMENTS</b>		
<b>Unquoted :</b>		
<b>In Others:</b>		
<b>Radius the Global Travel Company</b>		
30 Shares (Previous year 30) of Class B Common Voting shares, fully paid up	<b>53.04</b>	53.04
10 Shares (Previous year 10) of Class A Common Non-Voting Shares, fully paid up	<b>6.12</b>	6.12
<b>Greater Bombay Co-Op Bank Limited</b>	<b>0.01</b>	0.01
40 shares (Previous year 40) at Rs. 25 each fully paid		
<b>Ezeego One Travel and Tours Limited*</b>	<b>1,000.00</b>	1,000.00
9,000 (Previous year 9,000) Equity Share of Rs.10/- Each fully Paid up		
<b>Quoted :</b>		
<b>In Associates:</b>		
<b>Tulip Star Hotels Limited</b>	<b>564.27</b>	660.51
1,402,500 (Previous year 1,402,500) Equity Shares of Rs.10/- each fully paid-up (The above shares are pledged with Bank)		
<b>In Others:</b>		
<b>New Media Spark PLC</b>	<b>6.79</b>	7.42
(10,000 Equity shares of GBP 1 each fully paid up)		
<b>B. OTHERS</b>		
<b>Unquoted :</b>		
<b>Business India Publications Limited</b>	<b>24.75</b>	24.75
45,000 (Previous year 45,000) equity shares of Rs 10/- each fully paid up		
<b>CURRENT INVESTMENTS</b>		
<b>Unquoted - Others:</b>		
<b>V Hotels Limited</b>	<b>1,800.00</b>	1,800.00
1,800,000 (Previous year 1,800,000) 24% (previous year 18%) Convertible Debentures of Rs 100/- each		
<b>Ezeego One Travel and Tours Limited*</b>	<b>1,000.00</b>	1,000.00
100,000 (Previous year 100,000) 12% Fully Convertible Debentures of Rs. 1000/- each		
<b>LICMF Infrastructure Fund - Growth Plan</b>	<b>23.53</b>	13.92
250,000 units of Rs. 10 each fully paid up		

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 (CONTD.)

	As At 31.03.2010	As At 31.03.2009
	Rs. in Lacs	Rs. in Lacs
<b>Kotak Indo World Infrastructure Fund - Growth Plan</b> 100,000 units of Rs. 10 each fully paid up	7.21	4.10
<b>Reliance Money Manager Fund - Institutional Option -Daily dividend Plan #</b> 568,710 units of Rs. 1000 each fully paid up	5,693.57	-
<b>LICMF - Saving plus fund - Daily Dividend #</b> 72,705,211 units of Rs. 10 each fully paid up	7,270.52	-
<b>NLFSD Canara Robeco Treasury Advantage Super Institutional Daily Dividend ReInvestment Fund #</b> 4,048,128 units of Rs. 10 each fully paid up	502.26	-
<b>Religare Ultra short term fund - Daily Dividend #</b> 10,095,957 units of Rs. 10 each fully paid up	1,011.18	-
<b>Baroda Pioneer Treasury Advantage Fund-Institutional Daily Dividend Plan #</b> 5,018,399 units of Rs. 10 each fully paid up	502.30	-
<b>GCCD IDFC Money manager fund - TP-Daily Dividend #</b> 8,035,199 units of Rs. 10 each fully paid up	803.64	-
<b>B503DD Birla Sun Life Cash Plus-Instl.Prem.-Daily Dividend -Reinvestment #</b> 35,439,872 units of Rs. 10 each fully paid up	3,546.40	-
<b>2031 / HDFC Cash Management Fund-Treasury Advantage Plan-Wholesale Daily Dividend #</b> 20,163,970 units of Rs. 10 each fully paid up	2,022.75	-
<b>TOTAL</b>	<b>25,838.34</b>	<b>4,569.87</b>
<b>Notes:</b>		
Quoted Investments :		
Cost	564.27	660.51
Market Value	1,535.74	966.32
Aggregate Cost of Unquoted Investments	25,274.07	3,909.36
* Company under same management		

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 (CONTD.)**

<b>Investments purchased and sold during the year</b>	<b>Face Value</b>	<b>Nos. (in lacs)</b>	<b>Cost (Rs. in Lacs)</b>
S230 SBNPP Money Fund Super Institutional Daily Dividend Reinvestment	10	247.66	2,500.19
S230 SBNPP Ultra ST Fund Super Inst.Div Rein Daily	10	249.25	2,501.77
Reliance Money Manager Fund - Institutional Option -Daily Dividend Plan	10	999.78	10,000.86
LICMF - Liquid Fund - Dividend Plan	10	1,163.12	12,771.21
LICMF - Floting Rate Fund Short Term Growth Plan	10	199.93	2,900.00
LICMF - Saving Plus fund - Daily Dividend	10	206.26	2,900.48
LICMF - Floting Rate Fund Short Term Growth Plan	10	70.94	1,000.00
LICMF - Saving Plus fund - Daily Dividend	10	113.48	1,600.14
Franklin Templeton utual Fund - Super Institutional Plan - Daily Dividend Reinvestment	1,000	0.50	500.04
Franklin Templeton utual Fund - Ultra Short Bond Fund Super Institutional Plan - Daily Deividend Reinvestment	10	50.15	502.09
NLFSD Canara Robeco Treasury Advantage Super Instt Daily Dividend Reinvestment Fund	10	49.80	500.04
Religare Liquid Fund-Super Institutional Daily Dividend	10	99.94	1,000.08
Baroda Pioneer Liquid Fund-Institutional Daily Dividend Plan	10	49.97	500.04
GCCD IDFC Cash Fund-Super Inst Plan C-Daily Dividend	10	79.99	800.07
Kotak Liquid (Institutional Premium)-Daily Dividend	10	40.89	500.04
Kotak Floater Long Term-Daily Dividend	10	49.75	501.46
1564 ICICI Prudential Liquid Super Institutional Plan -Daily Dividend	100	5.00	500.04
1524 ICICI Prudential Flexible Income Plan Premium - Daily Dividend	100	4.77	504.78
AXIS BANK - Treasury Advantage Fund-Institutional Daily Dividend	1,000	0.40	400.71
Axis Treasury Advantage Fund-Institutional Daily Dividend	1,000	3.50	3,500.27
Axis Treasury Advantage Fund-Institutional Daily Dividend	1,000	3.51	3,512.15
B503DD Birla Sun Life Cash Plus-Instl.Prem.-Daily Dividend -Reinvestment	10	598.89	6,000.54
DWS Ultra Short Term Fund Institutional Daily Dividend	10	697.93	7,000.56
DWS Ultra Short Term Fund Institutional Daily Dividend	10	699.81	7,010.62
3006/HDFC Cash Management Fund-Savings Plan-Daily Dividend Reinvestment	10	94.02	1,000.08
L030DD SBI-Magnum Insta Cash Fund-Daily Dividend Option	10	597.05	10,000.74
L147ID SBI SHF Ultra Short Term Fund Institutional Plan-Daily Dividend	10	1,003.78	10,043.85
Reliance Money Manager Fund - Institutional Option -Daily dividend Plan	1,000	4.40	4,400.00
LICMF - Saving plus fund - Daily Dividend	10	1,006.58	10,065.84
B503DD Birla Sun Life Cash Plus-Instl.Prem.-Daily Dividend -Reinvestment	10	249.83	2,500.00
2031 / HDFC Cash Management Fund-Treasury Advantage Plan-Wholesale Daily Dividend	10	99.69	1,000.00

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 (CONTD.)**

	As At 31.03.2010		As At 31.03.2009	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>SCHEDULE 6 - CURRENT ASSETS, LOANS AND ADVANCES</b>				
<b>CURRENT ASSETS</b>				
<b>INVENTORIES</b>				
Stock of Foreign Currency [Net of Provision for Fake/Soiled Currency Rs.1.13 lacs (Previous Year Rs.2.30 lacs)]	<b>655.70</b>		352.75	
Share of Interest in Joint Venture	<b>173.45</b>		-	
		<b>829.15</b>		352.75
<b>SUNDRY DEBTORS (Unsecured, Considered Good)</b>				
Debts Outstanding for period exceeding six months :	<b>295.40</b>		473.78	
Other Debts :	<b>29,908.14</b>		22,742.49	
	<b>30,203.54</b>		23,216.27	
Share of Interest in Joint Venture	<b>2.41</b>		-	
		<b>30,205.95</b>		23,216.27
<b>CASH AND BANK BALANCES</b>				
Cash on Hand	<b>535.48</b>		366.09	
Balances with Banks in Current Accounts with Scheduled Banks [Includes Rs.1.22 lacs towards unclaimed refund against share application money] in Current Accounts with Other Banks in Fixed Deposit	<b>11,097.77</b>		2,218.18	
	<b>17,125.96</b>		3,225.05	
	<b>8,575.70</b>		285.64	
[Pledged with banks against gurantees or overdraft facilities Rs. 816.60 lacs (previous year Rs.188.01 lacs)]	<b>37,334.91</b>		6,094.96	
Share of Interest in Joint Venture	<b>131.89</b>		243.20	
		<b>37,466.80</b>		6,338.16
<b>LOANS AND ADVANCES (Unsecured, Considered Good)</b>				
Advances recoverable in cash or in kind or for value to be received	<b>24,466.96</b>		24,791.38	
Deposits	<b>1,727.75</b>		1,227.09	
	<b>26,194.71</b>		26,018.47	
Share of Interest in Joint Venture	<b>956.90</b>		202.25	
		<b>27,151.61</b>		26,220.72
<b>TOTAL</b>		<b>95,653.51</b>		56,127.90

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 (CONTD.)**

	As At 31.03.2010		As At 31.03.2009	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS</b>				
<b>A. CURRENT LIABILITIES</b>				
Trade Creditors :				
i) Total outstanding dues to Micro, Small and Medium Enterprise	-		-	
ii) Others	9,798.33		6,883.82	
Interest Accrued not due	279.02		537.23	
Other Liabilities	7,060.81		10,774.89	
Book Overdraft	81.74		158.86	
	<b>17,219.90</b>		<b>18,354.80</b>	
Share of Interest in Joint Venture	475.01		0.88	
		<b>17,694.91</b>		<b>18,355.68</b>
<b>B. PROVISIONS</b>				
Provision for Direct Taxes (Net of taxes paid)	1,970.91		2,841.28	
Provision for Fringe Benefit Tax (Net of taxes paid)	10.14		74.41	
Provision for Leave Encashment	417.58		347.47	
Provision for Gratuity	304.53		309.14	
Proposed Dividend	629.23		55.85	
Tax on Proposed Dividend	104.51		9.49	
		<b>3,436.90</b>		<b>3,637.64</b>
<b>TOTAL</b>		<b>21,131.81</b>		<b>21,993.32</b>

**Note:**

The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosures relating to amounts unpaid as at the year end together with interest paid /payable as required under the said Act have not been made.

	As At 31.03.2010	As At 31.03.2009
	Rs. in Lacs	Rs. in Lacs
<b>SCHEDULE 8 - MISCELLANEOUS EXPENDINTURE</b>		
Share of Interest in Joint Venture	207.58	-
<b>TOTAL</b>	<b>207.58</b>	<b>-</b>

## SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	FOR YEAR ENDED 31.03.2010		FOR YEAR ENDED 31.03.2010	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>SCHEDULE 9 - COMMISSION &amp; OTHER OPERATING INCOME</b>				
Travel and Tours Commission	<b>39,012.58</b>		27,832.28	
Income from Forex Division	<b>953.63</b>		857.74	
	<b>39,966.21</b>		28,690.02	
Share of Interest in Joint Venture	<b>(50.81)</b>		-	
		<b>39,915.40</b>		28,690.02
<b>TOTAL</b>		<b>39,915.40</b>		<b>28,690.02</b>
<b>SCHEDULE 10 - OTHER INCOME</b>				
<b>OTHER INCOME</b>				
Interest:				
From Current investments	<b>547.27</b>		434.68	
From Others	<b>153.43</b>		125.05	
Dividend on Current Investments	<b>325.88</b>		-	
Profit on Sale of Current Investment	<b>6.72</b>		-	
Gain on Revaluation of Current Investment (Reversal of loss in value of Current Investment recognised in earlier years)	<b>12.73</b>		-	
Profit on Sale of Fixed Assets	<b>0.21</b>		1.02	
Exchange Fluctuation Gain (Net)	<b>2,838.14</b>		-	
Miscellaneous Income	<b>318.57</b>		103.30	
	<b>4,202.95</b>		664.05	
Share of Interest in Joint Venture	<b>8.48</b>		2.07	
		<b>4,211.43</b>		666.12
<b>TOTAL</b>		<b>4,211.43</b>		<b>666.12</b>
<b>SCHEDULE 11 - PERSONNEL EXPENSES</b>				
<b>PERSONNEL EXPENSES</b>				
Salaries, Wages, Bonus and Allowances	<b>8,812.14</b>		7,223.24	
Contribution to Provident and Other Funds	<b>617.49</b>		432.25	
Payment / Provision for Gratuity	<b>210.45</b>		48.53	
Staff Training & Welfare Expenses	<b>299.77</b>		201.74	
	<b>9,939.85</b>		7,905.76	
Share of Interest in Joint Venture	<b>0.92</b>		-	
		<b>9,940.77</b>		7,905.76
<b>TOTAL</b>		<b>9,940.77</b>		<b>7,905.76</b>



SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010 (Contd.)

	FOR YEAR ENDED 31.03.2010		FOR YEAR ENDED 31.03.2010	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>SCHEDULE 12 - OTHER EXPENSES</b>				
<b>OTHER EXPENSES</b>				
Rent		1,560.26		1,189.25
Rates & Taxes		78.79		38.64
Electricity Expenses		211.76		149.48
Repairs & Maintenance		215.58		109.12
Insurance		301.77		162.62
Communication & Courier Expenses		980.10		819.80
Printing & Stationery		237.75		267.03
Books, Periodicals & Subscriptions		116.42		91.63
Legal & Professional Fees		1,185.21		615.36
Commission paid to Non-Executive Directors		8.00		8.99
Filing and Registration Fees		71.33		7.85
Travelling & Conveyance		1,806.34		1,107.69
Loss on Sale of Assets		9.10		11.21
Loss on Revaluation of Investment in Mutual Fund		-		11.98
Advertisement, Publicity & Business Promotion		3,570.05		3,330.28
Exchange Fluctuation Loss (Net)		-		114.18
General Expenses		360.81		140.49
Donations		37.39		22.09
Computer Expenses		251.89		114.33
Bad Debts		21.18		128.71
Security Charges		53.06		52.12
Statutory Expenses pertaining to Initial Public Offer		-		75.00
Auditors' Remuneration:				
Statutory Audit	127.38		47.22	
Other services	-		0.84	
		127.38		48.06
		11,204.17		8,615.91
Share of Interest in Joint Venture		126.78		35.76
<b>TOTAL</b>		<b>11,330.95</b>		<b>8,651.67</b>

## SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

### Schedule 13 - Notes to Consolidated Accounts

#### 1. Significant Accounting Policies to the Consolidated Balance Sheet and Profit & Loss Account:

##### A. Principles of consolidation

- The financial statements of the Company and its subsidiary companies( which are not in the nature of joint ventures) 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".
- 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 costs 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".
- 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 and associates have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".
- Basis of consolidation
  - a. The Consolidated Balance Sheet, Consolidated Statement of Profit and Losses and Consolidated Cashflow Statement (together referred to as Consolidated Financial Statements) comprises financial statements of Cox and Kings (India) Limited and its subsidiaries and the interest of the Company in joint ventures, in the form of jointly controlled entities for the year ended March 31, 2010.
  - b. Subsidiary companies considered in these Consolidated Financial Statements are:

Name of the company	Country of incorporation	Effective date of control / acquisition	Ownership Interest %	
			As at 31/03/2010	As at 31/03/2009
Clearmine Limited	UK	March 30, 2006	100%	100%
ETN Services Limited (wholly owned subsidiary of Clearmine Limited)	UK	March 30, 2006	100%	100%

**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (CONTD...)**

**Schedule 13 - Notes to Consolidated Accounts (Contd...)**

Name of the company	Country of incorporation	Effective date of control / acquisition	Ownership Interest %	
			As at 31/03/2010	As at 31/03/2009
Cox & Kings Singapore Pvt. Ltd. (Earlier known as "CNK Internet Pte. Ltd")	Singapore	May 15, 2006	100%	100%
Cox & Kings Tours LLC	UAE	February 7, 2007	100%	100%
Cox & Kings Ltd.	UK	September 1, 2007	100%	100%
Cox & Kings Travel Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	100%
Cox & Kings Japan Ltd.	Japan	September 1, 2007	100%	100%
Cox & Kings Shipping Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	100%
Cox & Kings Special Interest Holidays Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	100%
Cox & Kings Tours Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	100%
Cox & Kings Enterprises Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	100%
Cox & Kings Holdings Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	100%
Cox & Kings Investments Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	100%
Cox & Kings Finance Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	100%
Cox & Kings (Mauritius) Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	Mauritius	September 1, 2007	100%	100%
Grand Tours Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	100%
C& K Investments Ltd. (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	100%
Cox & Kings (Agents) Limited (wholly owned subsidiary of Cox and Kings Ltd.)	UK	September 1, 2007	100%	100%
Cox and Kings (Australia) PTY Ltd. (wholly owned subsidiary of Cox and Kings (India) Limited)	Australia	February 25, 2008	100%	100%
Tempo Holidays PTY Ltd (wholly owned subsidiary of Cox and Kings (Australia) PTY Ltd.)	Australia	November 5, 2008	100%	100%
Tempo Holidays NZ Ltd (wholly owned subsidiary of Cox and Kings (Australia) PTY Ltd.)	New Zealand	December 19, 2008	100%	100%
East India Travel Company Inc, (wholly owned subsidiary of Cox and Kings Travel Ltd.)	USA	April 8, 2009	100%	-
Quoprro Global Services PTE Ltd(wholly owned subsidiary of CNK Intranet PTE Ltd)	Singapore	October 1, 2008	100%	100%

**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (CONTD...)**
**Schedule 13 - Notes to Consolidated Accounts (Contd...)**

Name of the company	Country of incorporation	Effective date of control / acquisition	Ownership Interest %	
			As at 31/03/2010	As at 31/03/2009
Quoprro Global Services Pvt. Ltd. (wholly owned subsidiary of Cox and Kings (India) Limited)	India	October 1, 2008	100%	100%
Quoprro Global Limited (wholly owned subsidiary of Cox and Kings (India) Limited)	UK	August 28, 2009	100%	-
Quoprro Global Services Pvt. Ltd (wholly owned subsidiary of Cox and Kings (Singapore) Pvt. Ltd)	Hongkong	August 28, 2009	100%	-
Quoprro Global Hellas wholly owned subsidiary of Cox & Kings Ltd. UK)	Greece	July 23, 2009	100%	-
Cox and Kings GmbH (wholly owned subsidiary of Quoprro Global Limited, UK)	Germany	October 22, 2009	100%	-
MyPlanet Australia Pty Ltd, (wholly owned subsidiary of Cox and Kings (Australia) PTY)	Australia	December 29, 2009	100%	-
Bentours International Pty Ltd, (wholly owned subsidiary of Cox and Kings (Australia) Pty Ltd,)	Australia	December 29, 2009	100%	-

Results of subsidiaries acquired are included in the consolidated financial statements from the effective dates of acquisition.

**c. Associate Companies :**

Name of the company	Country of incorporation	Ownership Interest%	
		As at 31/03/2010	As at 31/03/2009
Tulip Star Hotel Limited	India	30.42%	30.42%
Bolshoi Express Limited	UK	50%	50 %

**d. Joint Venture Companies :**

Name of the company	Country of incorporation	Ownership Interest%	
		As at 31/03/2010	As at 31/03/2009
Royale Indian Rail Tours Limited	India	50%	50%

**B. Other significant accounting policies**
**a. Basis of accounting:**

The financial statements of the parent company are prepared as per historical cost convention 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.

**Schedule 13 - Notes to Consolidated Accounts (Contd...)**

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. 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 net of discounts. Income from buying and selling of foreign currencies is accounted on net basis as stated in (c) above. All revenues are accounted when there is reasonable certainty of its ultimate collection.

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%
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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 & Cox and Kings, Japan, the depreciation is provided on following rates on written down value method.

Freehold and short leasehold property	-	15%
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Plant and machinery	-	15%
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Computer equipment	-	15%
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Motor vehicles	-	25%
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➤ 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%
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Office Equipment	-	20%
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Computer equipment and Software	-	40%
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## SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (CONTD...)

### Schedule 13 - Notes to Consolidated Accounts (Contd...)

- In case of Cox and Kings Singapore Ltd., the depreciation is provided on following rates on Straight line method.
 

Furniture, Fixtures and Fittings	-	20%
Computer equipment and Software	-	20%
Office Equipment	-	100%
- 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%
- In case of Quoprro Global Services Pvt. Ltd., the depreciation is provided on following rates.
 

Office Equipment	-	20% p.a. on reducing balance basis
Leasehold Improvements	-	over the lease terms on straight line basis

**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. In case of Australia, inventory also includes brochures.

**j. Employee Benefits:**

- a. Short term employee benefits are recognised 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 recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised 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:**

Transactions in foreign currency are recorded at spot rates / average rates. Current assets/liabilities including those pertaining to foreign branch are converted at year-end rates. Fixed Assets at the foreign branch are stated at the cost of acquisition. Gains or losses arising out of realisations or translations at the year-end are recognised in the profit & loss account for the year.

**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. The audited 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 and Singapore based subsidiaries are prepared in accordance

**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (CONTD...)**

**Schedule 13 - Notes to Consolidated Accounts (Contd...)**

with the Singapore Financial Reporting Standards, Australia based subsidiaries are prepared in accordance with the Australia Financial Reporting Standards and Hong Kong based subsidiary are prepared in accordance with the Hong Kong 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. Differences in accounting policies of the Company and its subsidiaries are not material.

3. In the opinion of the Board of Directors, the current assets and loans & advances have a value on realization in ordinary course of business at least equal to the amount at which they are stated.
4. Unsecured loan to the extent of Rs 9,000.00 Lacs (Previous Year Rs.10,000.00 Lacs) is secured by personal guarantee of a director.
5. Break up of Deferred Tax liability is as under.

**(Rs. in Lacs)**

	<b>As at 31/03/2010</b>	<b>As at 31/03/2009</b>
<b><i>Deferred Tax Asset</i></b>		
Employee Retirement Benefit	216.99	171.19
Accruals (Disallowances under Tax Act)	3.11	180.01
Depreciation	31.32	31.24
Tax Loss	56.64	-
Unrealised Exchange loss	30.91	-
<b>Total</b>	<b>338.96</b>	<b>382.44</b>
<b><i>Deferred Tax Liabilities:</i></b>		
Depreciation	242.32	216.39
Unrealised Exchange Gain	1,020.38	-
Acquisition Exp (Allowances under Tax Act)	7.02	-
Accruals	(0.93)	-
Tax losses	(793.59)	-
<b>Total</b>	<b>475.19</b>	<b>216.39</b>
<b>Net Deferred Tax : Asset / (Liability)</b>	<b>(136.23)</b>	<b>166.05</b>

6. Particulars of earnings per share:

	<b>As at 31/03/2010</b>	<b>As at 31/03/2009</b>
Net Profit/(Loss) after tax (Rs. in Lacs)	13,385.00	6,280.85
Weighted average equity shares outstanding during the year (Number of Shares in Lacs)	512.33	433.48
Face value per share (Rs.)	10	10
Earnings per Share - Basic and Diluted (Rs.)	26.13	14.49

**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (CONTD...)**
**Schedule 13 - Notes to Consolidated Accounts (Contd...)**

7. The group's primary segment consists of business segment, namely Tours and Travel. There is no other separate reportable primary segment as required in Accounting Standard 17 – Segment Reporting issued by the Institute of Chartered Accountants of India.

Information required as per Accounting Standard 17 – Segment Reporting in respect of secondary segment is as under:

<b>Particulars</b>	<b>(Rs. in Lacs)</b>	
	<b>As at 31/03/2010</b>	<b>As at 31/03/2009</b>
<b><i>Segment Revenue (External Turnover):</i></b>		
India	<b>17,587.92</b>	14,651.68
Rest of World	<b>22,327.48</b>	13,180.60
<b><i>Segment Assets:</i></b>		
India	<b>104,238.52</b>	48,388.15
Rest of World	<b>48,812.30</b>	31,973.04
<b><i>Segment Liabilities:</i></b>		
India	<b>34,763.30</b>	32,610.66
Rest of World	<b>37,276.30</b>	25,014.02
<b><i>Capital Expenditure:</i></b>		
India	<b>1,728.27</b>	1,741.26
Rest of World	<b>2,063.33</b>	2,661.76

8. As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

I. List of Related parties:

- ❖ Associates:  
Tulip Star Hotels Ltd.
- ❖ Joint Venture :  
Royale Indian Rail Tours Limited
- ❖ Key Management Personnel  
Mr. A.B.M Good – Chairman  
Mr.Peter Kerkar – Director  
Ms.Urrshila Kerkar – Director
- ❖ Relatives of Key Management Personnel  
Ms Elizabeth Kerkar
- ❖ Enterprises over which Key Management Personnel and their relatives exercise significant influence  
Far Pavilions Tours and Travels Limited.  
Ezeego One Travel and Tours Limited



**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (CONTD...)**

**Schedule 13 - Notes to Consolidated Accounts (Contd...)**

II. Transactions during the year with related parties  
(Excluding Reimbursements)

(Figures in italics are for previous year)  
(Rs. in Lacs)

<b>Nature of transaction</b>	<b>Associate / Joint Venture</b>	<b>Key Management personnel</b>	<b>Relative of Key management personnel</b>	<b>Enterprises over which key management personnel or their relatives have significant influence</b>	<b>Total</b>
Purchase	87.99 -	- -	22.06 -	1,154.51 946.38	1,264.569 946.38
Remuneration	- -	106.82 75.93	- -	- -	106.82 75.93
Sales	134.65 -	- -	- -	12,181.84 8,935.51	12,316.49 8,935.51
Interest Received	263.01 214.53	- -	- -	1,022.17 357.36	1,285.18 571.89
Movement in Loans/Advances (net) debit/[credit(-)]	2,871.90 764.16	- -	- -	(-)1,347.98 2,587.47	1,523.92 3,351.63
Balances as at 31 <sup>st</sup> March: Debit/[credit(-)]					
- Debtors	131.95 -	- -	- -	5,812.55 5,908.78	6,076.45 5,908.78
- Advances	4,966.90 2,419.63	- -	- -	2,699.39 3,509.86	7,666.29 5,929.49
- Creditors	95.16 -	- -	- -	64.78 76.65	159.94 76.65
- Investment	564.27 660.51	- -	- -	2,000.00 2,000.00	2,564.27 2,660.51

III. Disclosure in respect of material related party transactions during the year:

- Purchase includes Rs. 1,154.50 lacs (Previous year Rs. 946.38 lacs) from Ezeego One Travel and Tours Ltd.
- Remuneration paid includes Rs.95.43 Lacs paid to Urrshila Kerkar (Previous year Rs. 55.83 Lacs) and Rs.11.39 Lacs (Previous year Rs.16.41 Lacs) paid to Peter Kerkar.
- Sales include sales to Ezeego One Travel and Tours Ltd. Rs. Rs.12,181.84 Lacs (Previous year Rs.8,935.51 Lacs).
- Interest received includes Tulip Star Hotels Ltd. Rs.263.01 Lacs (Previous year Rs.214.53 Lacs), Far Pavilion Tours & Travels Ltd. Rs.137.98 Lacs (Previous year Rs. 117.70 Lacs) and Ezeego One Tours & Travels Ltd. Rs.848.93 Lacs (Previous year Rs. 239.66 Lacs).

## SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (CONTD...)

### Schedule 13 - Notes to Consolidated Accounts (Contd...)

5. Movement in Loans / advances include: -

- a) Advance to Royal Indian Rail Tours Ltd. for Rs.1012.30 Lacs (Previous year Rs.456.53 Lacs) and Tulip Star Hotels Ltd Rs.390.77 Lacs (Previous year Rs.307.64 Lacs)
- b) Repayment from Ezeego One Travel and Tours Ltd. Rs.676.68 Lacs (Previous year repayment of Rs. 2,439.70 Lacs) and repayment by Far Pavilion Pvt. Ltd. For Rs.346.67 Lacs (Previous year Rs.147.77 Lacs)

9. Directors' Remuneration:

(Rs. in Lacs)

Particulars	As at 31/03/2010	As at 31/03/2009
Salary Allowances and PF	106.82	75.92

10. Contingent Liabilities as at March 31, 2010:

- a. Guarantees given by banks Rs.12,924.02 Lacs (Previous Year Rs. 106.72 Lacs)
- b. Claims against the Company not acknowledged as debts estimated at Rs.1,279.37 Lacs (Previous Year Rs.1,406.34 Lacs)
- c. Disputed income tax demand Rs.295.67 Lacs (Previous Year Rs.1,276.76 Lacs). The Company has made advance payment of Rs.50.91 Lacs (Previous Year Rs.618.95 Lacs) against the same.

11. Disclosure for Lease:

Operating Lease: Disclosure in respect of Non-cancellable agreements for office and residential premises taken on lease:

(Rs. in Lacs)

Particulars	For the year 31.03.2010	For the year 31.03.2009
Future minimum lease payments under non-cancellable agreements		
- Not Later than one year	284.24	171.71
- Later than one year and not later than five years	333.17	568.36
- Later than five years	NIL	NIL

12. Proceeds from IPO

Pursuant to the approval of the shareholders of the Company in an AGM held on 10<sup>th</sup> August, 2009 the Company has issued and allotted through Initial Public Offering (IPO) 18,496,640 equity shares of Rs. 10 each at a premium of Rs. 320 per share to all categories of investors. The issue has been made in accordance with the terms of the Company's prospectus dated 27<sup>th</sup> November 2009.

The Proceeds raised from the issue upto March 31, 2010 are given below:

Particulars	Rs. in Lacs
<b>Funds received upto March 31, 2010</b>	
Equity Share Capital	1,545.00
Securities Premium	49,440.00
<b>Total</b>	<b>50,985.00</b>

**SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (CONTD...)**

**Schedule 13 - Notes to Consolidated Accounts (Contd...)**

The amount raised through public issue has been utilized upto March 31, 2010 are given below:

**(Rs in Lacs)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Projected</b>	<b>Actual</b>
1	Repayment of Loans	12,960.00	8,470.00
2	Acquisitions & Other Strategic Initiatives	15,000.00	1,600.00
3	Investment in Overseas Subsidiaries	6,250.00	887.00
4	Investment in Corporate Office & Upgrading our existing Operations	6,000.00	203.00
5	General Corporate Purposes	4,557.00	4,557.00
6	Meeting Fresh Issue related Expenses	6,218.00	5,817.38
	<b>Total</b>	<b>50,985.00</b>	<b>21,534.38</b>

Pending utilisation, the balance proceeds have been temporarily invested in:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Actual (Rs. In lacs)</b>
1	Mutual Funds	21,107.08
2	Fixed Deposit and Current account	8,343.54
	<b>Total</b>	<b>29450.62</b>

13. Debtors include Rs. 5,944.50 lacs (Previous year Rs.5,908.78 lacs) receivable from following companies under same management:

- i. Ezeego One Travel and Tours Limited
- ii. Royale Indian Rail Tours Limited

14. Previous year's figures have been regrouped / rearranged where necessary to confirm to current year's classification.

Signatures to Schedules 1 to 13.

As per our attached report of even date

**For Chaturvedi & Shah**  
Chartered Accountants

**Rajesh Chaturvedi**  
Partner  
Place: Mumbai  
Date : 29th May, 2010

**For and on behalf of the Board**

**Urrshila Kerkar**  
Director  
**Rashmi Jain**  
Company Secretary

**Peter Kerkar**  
Director





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