

TC TRAVEL AND SERVICES LIMITED
Annual Report 2013-14

DIRECTORS' REPORT

TO THE MEMBERS OF TC TRAVEL AND SERVICES LIMITED

The Directors present their Sixth Annual Report and the Audited Statement of Accounts for the Financial Year ("FY") ended March 31, 2014.

1. OPERATIONS

TC Travel And Services Limited ("TCTSL"), is a wholly owned subsidiary of Tata Capital Limited ("TCL"). The Company is engaged in the business of travel related services.

The year ended March 31, 2014 witnessed a downturn in business primarily as a result of reduced volumes from major customers and pricing pressure due to increased competitive intensity in the market place. Consequently, ticketing turnover has significantly reduced to ₹ 152 crore in FY 2014 from ₹ 190 crore in FY 2013. To counter this effect, the Company has laid out a plan for acquiring new customers to offset the loss in volume. It has also focused effort on Meetings, Incentives, Conferences, Events ("MICE") business and during the year, the Company had done Leisure and MICE business of ₹ 19.62 crore as compared to ₹ 11.80 crore in the previous year. However, as a result of some significant additional costs from some changes in its business model for centralized and round the clock ticketing services offered to its customers, and other technology investments required during the year, the profitability of the Company has been severely impacted.

2. FINANCIAL RESULTS

The performance of the Company for the year ended March 31, 2014, is summarized below :

(₹ in crore)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Total Airline ticket sales	152.22	190.65
Total Income	8.36	9.99
Less: Finance Costs	.83	1.16
Expenditure	13.93	9.45
Depreciation / Amortisation	.21	0.22
Profit Before Tax	(6.61)	(0.84)
Less: Provision For Tax:		
Current Tax including Fringe Benefit Tax	-	-
Deferred tax	-	-
Profit / Loss After Tax	(6.61)	(0.84)
Amount brought forward from Previous Year	1.36	2.20
Amount Available for Appropriations	(5.26)	1.36
Appropriations	-	-
Surplus / (Loss) carried to Balance Sheet	(5.26)	1.36

3. DIVIDEND

Having regard to the losses suffered during the year, the Board of Directors do not recommend any dividend for the year (Previous year – NIL).

4. FINANCE

The Company has met all its funds requirements through its internal resources and Inter Corporate Deposits from TCL.

5. SHARE CAPITAL

The Authorised Capital of the Company is ₹ 25 crore consisting of 2,50,00,000 Equity Shares of ₹ 10/- each. As on March 31, 2014, the Paid-Up Share Capital of the Company was ₹ 25 crore consisting of 2,50,00,000 Equity Shares of ₹ 10/- each.

6. HUMAN RESOURCES

The Company had 85 employees on its rolls as on March 31, 2014. The Company recognizes the value of its human capital and is continuously upgrading the skill levels of its workforce in key areas such as ticketing, organizing and conducting inbound and outbound tours, conferences and accounting.

7. COMPLIANCE

The Company has complied with the applicable provisions of the Companies Act, 1956 as well as the Companies Act, 2013 and other applicable laws.

8. DEPOSITS

The Company has not accepted any public deposits during the year.

9. ACCOUNTS AND ACCOUNTING STANDARDS

The Company adheres to the Accounting Standards issued by The Institute of Chartered Accountants of India ("ICAI") in the preparation of its financial statements and has not adopted a treatment different from that prescribed in any Accounting Standard issued by ICAI and Companies (Accounting Standards) Rules, 2006 as amended time to time.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of the activities which are being carried out by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy and technology absorption, are not applicable to the Company.

Details of foreign exchange earnings and outgo during the year under review are, as under:

(Amount in ₹)

Sr. No.	Particulars	Year ended March 31, 2014	Year ended March 31, 2013
1.	Earnings	-	-
2.	Outgo (On travelling expenses)	61,19,771	33,92,062

11. DIRECTORS

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Praveen P Kadle is liable to retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

12. MANAGER

The appointment of Mr. Bhavesh Jatania as Manager of the Company for a period of five years with effect from April 1, 2013, had been approved by the Board of Directors and the Members of the Company. Mr. Jatania's remuneration for FY 2013-14 is as prescribed under Para C of Section II of Part B of Schedule XIII to the Companies Act, 1956 (read with the Provisos thereto).

The Nomination and Remuneration Committee Meeting held on April 25, 2014 and the Board Meeting held on May 5, 2014, approved the payment of total remuneration of ₹ 76,74,747 to Mr. Jatania for FY 2013-14.

The terms and conditions of the appointment and remuneration of Mr. Bhavesh Jatania, as per the Agreement dated September 21, 2013 executed by the Company and Mr. Bhavesh Jatania, is as given below:

Remuneration	₹ 2,17,000/- per month upto a maximum of ₹ 3,00,000/- per month. The annual increments which will be effective 1st April each year, will be decided by the Board or any Committee thereof and will be merit based and take into account the Company's performance as well. Commission, if any, or Incentive Remuneration not exceeding ₹ 50,00,000/- to be paid based on certain performance criteria and such other parameters as laid down by the Board or Committee thereof, as may be considered appropriate from time to time.
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Minimum Remuneration	Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Manager, the Company has no profits or its profits are inadequate, the Company will pay/provide to the Manager, remuneration for a period not exceeding 3 years by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration as specified above. Benefits, perquisites and allowances are as per the Agreement.
Term & Termination	The Agreement with Mr. Bhavesh Jatania may be terminated by him by giving three months notice of such termination or by the Company by paying three months remuneration in lieu of such notice.
Stock Options	As at March 31, 2014, Mr. Jatania held 1,42,965 Equity Shares of TCL, the holding company, acquired under the Employee Stock Option/Purchase Scheme ("ESOP Scheme") of TCL. In addition to the above, Mr. Jatania has 26,666 vested options and 13,334 unvested options for purchase of Equity Shares of TCL under the ESOP Scheme 2013.
Other Terms	The said terms and conditions also include clauses pertaining to adherence with the Tata Code of Conduct, including no conflict of interest with the Company, non compete and maintenance of confidentiality.

13. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company.

The Company's internal control system is commensurate with the size, nature and operations of the Company.

14. CORPORATE GOVERNANCE

A summary of the Corporate Governance measures adopted by the Company is given below:

- i. The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others.
- ii. The Board comprises four Non-Executive Directors viz. Mr. Praveen P. Kadle, Mr. Mohini Dutta, Mr. S. H. Rajadhyaksha and Mr. Govind Sankaranarayanan.
- iii. During FY 2013-14, six Board Meetings were held on May 3, 2013, July 25, 2013, September 19, 2013, October 23, 2013, January 27, 2014 and February 20, 2014. The gap between any two Board meetings was not more than 3 months.
- iv. None of the Directors of the Company drew any remuneration from the Company in the nature of salary, benefits, bonuses, pensions, etc. during FY 2013-14. None of the Directors were paid sitting fees.
- v. The Board had constituted Committees with specific terms of reference to focus on specific issues and ensure expedient resolution of diverse matters. These are the Audit Committee and Nomination and Remuneration Committee. The Company Secretary is the Secretary of the aforementioned Committees.
- vi. The Audit Committee of the Board comprises Mr. Govind Sankaranarayanan, Chairman, Mr. Kadle and Mr. Rajadhyaksha. Besides the Members of the Audit Committee, meetings of the Audit Committee are attended by the Business Head, Statutory Auditors, Internal Auditor and the Company Secretary. The Internal Audit function is headed by the Chief Internal Auditor of the group who reports to the Chairman of the Audit Committee to ensure independence of operations. During FY 2013-14, seven Meetings of the Audit Committee were held on May 3, 2013, July 25, 2013, September 19, 2013, October 23, 2013, December 4, 2013, January 27, 2014 and March 3, 2014.

- vii. The Nomination and Remuneration Committee comprises Mr. Kadle, Mr. Govind Sankaranarayanan and Mr. Rajadhyaksha. The role of the Nomination and Remuneration Committee is to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- viii. The Board has adopted the following policies for the Company :
 - a) Tata Code of Conduct
 - b) Tata Sons Guidelines on Composition of Board of Directors, Committees of the Board and Retirement Age of Directors, etc.
- ix. TCL has signed the Tata Brand Equity and Business Promotion ("BEBP") Agreement with Tata Sons Limited on behalf of its subsidiaries including TCTSL, for subscribing to the BEBP Scheme. The Company abides by the Tata Code of Conduct and the norms for using the Tata Brand identity.
- x. During FY 2013-14, there were no related party transactions by the Company, besides the transactions mentioned elsewhere in the Annual Report. The said transactions were in the normal course of business and on an arm's length basis.

15. REPORT UNDER THE PREVENTION OF SEXUAL HARRASMENT ACT

There were no complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

16. AUDITORS

Messrs. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad ("DHS") (ICAI Firm Registration Number 117365W) who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Messrs. Deloitte Haskins & Sells, Mumbai ("DHS-M"), Chartered Accountants, were appointed as the Statutory Auditors of the Company at the Annual General Meeting ("AGM") of the Company held on August 14, 2009 for FY 2009-10. Subsequently, Messrs. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad were appointed in place of DHS-M, at the AGM held on June 18, 2013 and their current term expires at the conclusion of the ensuing AGM. At the conclusion of the ensuing AGM of the Company, DHS (taking into consideration the initial appointment of DHS-M would have completed a period of five years as Auditors of the Company. As per the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to re-appoint DHS as the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next AGM of the Company.

The Company has received a letter from DHS to the effect that their appointment, if made, would be in accordance with Section 139 of the Companies Act, 2013 and that, they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act, 2013.

17. PARTICULARS OF EMPLOYEES

Information in accordance with sub-section (2A) of the Section 217 of the Act, read with the Companies (Particulars of Employees) Rules, 1975 (as amended from time to time) and forming part of the Directors' Report for the year ended March 31, 2014, is provided in an Annexure forming part of this Report.

18. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Act, the Directors, based on the representation received from the Management, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the loss of the Company for that year;

- iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- iv. they have prepared the annual accounts on a 'going concern' basis.

19. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from TCL, International Air Transport Association, the Company's bankers and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation of its employees for their commendable efforts, team work and professionalism.

On behalf of the Board of Directors
TC TRAVEL AND SERVICES LIMITED

Praveen P Kadle
Director

Mohini Dutta
Director

MUMBAI, May 05, 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TC TRAVEL AND SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of TC TRAVEL AND SERVICES LIMITED (the "Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the "Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, 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 Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
- (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

JOE PRETTO
Partner
(Membership No. 77491)

MUMBAI, May 05, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities, clauses 4(xiii) of the Order is not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) The Company has a regular programme of verification requiring physical verification of all the fixed assets once in a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) The Company is primarily engaged in rendering travel and tourism services and therefore does not hold any physical inventories. Therefore, the provisions of clause 4(ii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub clauses (a) to (g) of clause 4(iii) of the Order are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed any major weakness in such internal control.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us we are of the opinion that there are no contracts or arrangements, the particulars of which need to be entered into register maintained in section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (b) of clause 4(v) of the Order are not applicable to the Company.
- (vii) According to the information and explanations given to us, the Company has not accepted deposits from the public during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in this regard in the case of the Company. Therefore, the provisions of clause 4(vi) of the Order are not applicable to the Company.
- (viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (ix) The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, for any of the services rendered by the Company. Accordingly clause 4(viii) of the Order is not applicable.
- (x) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Profession Tax, Service Tax and other material statutory dues applicable to it with the appropriate authorities during the year. There were no amounts payable in respect of Investor Education and Protection Fund, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Wealth Tax, Profession Tax, Sales Tax, Service Tax, Investor Education and Protection Fund, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, as at 31st March, 2014 for a period of more than six months from the date they became payable.

- (c) There are no disputed dues of Income-tax, Sales Tax, Customs Duty, Excise Duty, Wealth Tax, Service Tax and Cess and other taxes applicable to the Company.
- (xi) The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth and the Company has incurred cash losses in the current and preceding financial year.
- (xii) According to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not borrowed any sum from financial institutions or any sum by issue of debentures.
- (xiii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company is not dealing in shares, securities and debentures. Therefore, the provisions of clause 4(xiv) of Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company has not taken any term loan during the period. Therefore, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
- (xvii) According to information and explanations given to us, and on overall examination of the balance sheet of the Company, we report that funds raised on short term basis have not been used during the year for long term investment.
- (xviii) According to the information and explanations given to us, 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. Therefore, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us, during the year, the Company has not issued any secured debentures. Therefore, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- (xx) During the year, the Company has not raised any money by way of a public issue. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

JOE PRETTO
Partner
(Membership No. 77491)

MUMBAI, May 05, 2014

BALANCE SHEET AS AT MARCH 31, 2014

Amount (in ₹)

PARTICULARS	Note No.	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
1. Shareholders Funds			
(a) Share Capital	3	250,000,000	250,000,000
(b) Reserves and Surplus	4	(52,523,033)	13,560,315
2. Non-Current Liabilities			
Long-Term Provisions	5	643,770	623,650
3. Current liabilities			
(a) Short-Term Borrowings	6	165,500,000	105,733,341
(b) Trade Payables	7	124,708,379	121,380,616
(c) Other Current Liabilities	8	33,782,737	20,120,846
(d) Short-Term Provisions	9	1,717,220	1,177,670
TOTAL		523,829,073	512,596,438
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		6,268,286	7,496,732
(ii) Intangible Assets		112,177,829	111,757,496
(b) Long-Term Loans and Advances	11	27,692,658	22,580,840
(c) Other Non-Current Assets	12	100,900	1,318,364
2. Current Assets			
(a) Current Investments	13	482,216	451,785
(b) Trade Receivables	14	312,478,369	285,890,558
(c) Cash and Bank Balances	15	35,731,478	66,710,094
(d) Short-Term Loans and Advances	16	25,099,807	16,205,560
(e) Other Current Assets	17	3,797,530	185,009
TOTAL		523,829,073	512,596,438
See accompanying notes forming part of the financial statements	1-27		

In terms of our report attached

For and on Behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Praveen P. Kadle
(Director)

G. Sankaranarayanan
(Director)

Joe Pretto
Partner

S. H. Rajadhyaksha
(Director)

Mohini Dutta
(Director)

MUMBAI
Date : May 05, 2014

Bhavesh Jatania
(Manager)

Megha Sekharan
(Company Secretary)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Amount (in ₹)

PARTICULARS	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
I. Income :			
Income From Services	18	73,051,228	90,618,175
Other Income	19	10,551,785	9,299,875
		83,603,013	99,918,050
II. Expenditure :			
Employee Benefits Expense	20	59,779,824	50,056,377
Other Operating Expenses	21	79,490,359	44,406,635
Finance Cost		8,282,858	11,647,414
Depreciation and Amortisation Expense	10	2,133,320	2,203,887
		149,686,361	108,314,313
III. Loss Before Extraordinary & Exceptional Items and Taxes (I-II)		(66,083,348)	(8,396,263)
IV. Exceptional Items		-	-
V. Loss Before Extraordinary Items and Tax (III - IV)		(66,083,348)	(8,396,263)
VI. Extraordinary Items		-	-
VII. Loss Before Tax (V - VI)		(66,083,348)	(8,396,263)
VIII. Provision for Taxes			
(a) Current Tax		-	-
(b) Deferred tax		-	-
Total Tax Expense		-	-
IX. Loss for the year after tax (VII - VIII)		(66,083,348)	(8,396,263)
X. Earnings per share			
Basic and Diluted (in Rupees)		(2.64)	(0.34)
Weighted average number of shares		25,000,000	25,000,000
Face value per share (in Rupees)		10	10
See accompanying notes forming part of the financial statements	1-27		

In terms of our report attached

For and on Behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Praveen P. Kadle
(Director)

G. Sankaranarayanan
(Director)

Joe Pretto
Partner

S. H. Rajadhyaksha
(Director)

Mohini Dutta
(Director)

MUMBAI
Date : May 05, 2014

Bhavesh Jatania
(Manager)

Megha Sekharan
(Company Secretary)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2014

Amount (in ₹)

PARTICULARS	For the year ended March 31, 2014	For the year ended March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Loss Before Taxes	(66,083,348)	(8,396,263)
Adjustments For :		
Liabilities Written Back	(7,044,554)	(5,120,450)
Provision for Bad and Doubtful Debts / Advances	4,007,247	5,279,024
Bad Debts Written off	2,015,897	—
Loss on Sale of Asset	50,297	—
Provision for Retirement and Other Employee Benefit Schemes	2,273,380	1,617,485
Depreciation	2,133,320	2,203,887
Interest on Fixed Deposit	(113,779)	(752,272)
Interest Expense	8,282,858	11,647,414
Unrealised exchange Loss / (Gain) on cash and cash equivalents	50,061	(290,633)
Dividend Income	(30,431)	(29,880)
Operating Profit Before Working Capital Changes	(54,459,052)	6,158,312
Adjustments For :		
Trade Receivables	(32,610,955)	148,682,181
Fixed Deposit with Bank under lien	10,986,804	(11,012,821)
Loans and Advances	(9,628,056)	(5,270,506)
Current Liabilities and Provisions	23,252,558	(1,378,407)
Cash From Operations	(62,458,701)	137,178,759
Taxes paid	(6,805,114)	(7,603,904)
Net Cash Flow (Used in) / From Operating Activities	(69,263,815)	129,574,855
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	145,827	—
Purchase of Fixed Assets	(1,824,414)	(72,797)
Sale of Fixed Assets	448,914	394,205
Purchase of Mutual Funds	(30,431)	(29,880)
Dividend Income	30,431	29,880
Net Cash Flow (Used in) / From Investing Activities	(1,229,673)	321,408

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2014

Amount (in ₹)

PARTICULARS	For the year ended March 31, 2014	For the year ended March 31, 2013
CASH FLOW FROM FINANCING ACTIVITIES		
Inter Corporate Deposit repaid	(55,000,000)	(318,500,000)
Inter Corporate Deposit received	165,500,000	183,000,000
Bank overdraft	(50,733,341)	50,733,341
Interest paid	(9,214,922)	(17,244,405)
Net Cash Flow From/ (Used in) Financing Activities	50,551,737	(102,011,064)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(19,941,751)	27,885,199
Cash and Cash Equivalents as at the beginning of the year, comprising;		
Bank Balance with Scheduled Banks	55,285,738	26,977,553
Cash in hand	247,237	291,090
Cheques and drafts in hand	21,100	109,600
	55,554,075	27,378,243
Cash and Cash Equivalents as at the end of the year, comprising;		
Bank Balance with Scheduled Banks	35,262,021	55,285,738
Cash in hand	300,242	247,237
Cheques and drafts in hand	-	21,100
Total	35,562,263	55,554,075
Net Increase / (Decrease) in Cash and Cash Equivalents	(19,991,812)	28,175,832
Footnote:		
Cash and Cash Equivalents	35,512,202	55,844,708
Unrealised Loss / (Gain)	50,061	(290,633)
Cash and Cash Equivalents as above	35,562,263	55,554,075
Fixed Deposits with original maturity of more than 3 months	169,215	11,156,019
Cash and Bank Balances as at end of the Year	35,731,478	66,710,094
See accompanying notes forming part of the financial statements	1-27	

In terms of our report attached

For and on Behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Praveen P. Kadle
(Director)

G. Sankaranarayanan
(Director)

Joe Pretto
Partner

S. H. Rajadhyaksha
(Director)

Mohini Dutta
(Director)

MUMBAI
Date : May 05, 2014

Bhavesh Jatania
(Manager)

Megha Sekharan
(Company Secretary)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

TC Travel And Services Limited ("TCTSL"), is a wholly owned subsidiary of Tata Capital Limited ("TCL"). The Company is primarily engaged in the business of offering ticketing and travel related services to corporate and individual travelers. Our services include Air Ticketing, hotel Bookings, Land Arrangements, Travel Insurance, Foreign Exchange, Visa & Passport Facilitation and Holiday packages to suit the domestic and international markets at competitive rates. Our focus on Quality of Service and Reliability is supplemented by our commitment to optimizing our Customer's cost, comfort and convenience.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis for preparation of accounts

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (the "1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 (the "2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable.

b. Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods. Examples of such estimates include provision for employee benefit plans and provision for income taxes.

c. Revenue recognition

Income on travel related services

Income from services is net of service tax. Revenue is recognised upon rendering the service, the price being determined and collection of the receivable is reasonably certain.

Commission on tickets and service charges from customers are recognised on issue of the tickets. Incentive from airlines are accounted on the basis of tickets issued to sectors travelled.

Revenue on holiday packages is recognised on proportionate basis considering the actual number of days completed as at the year end to the total number of days for each tour.

Income from investments

Income from units of mutual funds is accounted on an accrual basis when the Company's right to receive dividend is established.

d. Fixed assets

Tangible:

Fixed assets are stated at cost, less depreciation/amortisation, which comprises of purchase consideration and other directly attributable cost of bringing the assets to its working condition for the intended use.

Intangible:

Intangible assets other than goodwill are stated at cost less amortisation.

Goodwill is stated at cost. Goodwill comprises the portion of a purchase price for an acquisition that exceeds the market value of the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

Expenses on software support and maintenance are charged to the Statement of Profit and Loss during the year in which such costs are incurred.

Capital work in progress:

Advances given towards acquisition of fixed assets and the cost of assets not ready for use at the balance sheet date are disclosed under "Capital work in progress".

e. Depreciation and amortisation

Depreciation on tangible fixed assets is provided on straight-line method at the rates and in the manner as prescribed in Schedule XIV to the Companies Act, 1956 or over the estimated useful life of the asset, whichever is higher.

All capital assets with individual value less than ₹ 5,000 are depreciated fully in the month in which they are purchased.

Depreciation rates used by the Company are:

Furniture and fixtures	10.00% or over the period of lease
Computer equipment	33.33%
Office equipment	10.00%
Vehicles	23.75%
Building	4.00%
Lease Hold Improvement	Lease Period

Purchased software / software products are amortised over the period the benefit expected to accrue while Goodwill is tested for impairment at each balance sheet date and impairment loss is recognised if the carrying amount of goodwill exceeds its recoverable amount.

f. Investments

Current Investments comprising investments in mutual funds are stated at the lower of cost or market value, determined on an individual investment basis.

g. Taxation

Income tax

The Company's income taxes include current tax on the Company's taxable profits, deferred tax and fringe benefits tax. Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. Deferred tax assets and liabilities are measured using enacted tax rates and tax regulations or those that have been substantively enacted at the balance sheet date.

Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a year different from when they were recognised in the financial statements.

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

The carrying amount of deferred tax assets is reassessed at each balance sheet date, based upon management's judgment as to whether their realisation is considered as reasonably certain.

h. Miscellaneous expenditure (to the extent not written off / adjusted)

Miscellaneous expenditure, comprising share issue expenses such as stamp duty and registration fees, amortised over a period of 36 months from the month in which the Company has incurred the expenditure.

i. Business segment

The Company has been operating only in one segment viz. Travel and tourist related services and the operations have been carried out within India. Hence, the disclosures required under Accounting Standard (AS) 17 on Segment Reporting have not been made.

j. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has present obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation.

Such provisions are not discounted to their present values and are determined based on the best estimates required to settle the obligations at the balance sheet date. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

k. Employee Benefits**(i) Short Term**

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

(ii) Long Term

The Company has both defined-contribution and defined-benefit plans. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

(a) Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund and family pension fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

(b) Defined-benefit plans

An expense for defined-benefit gratuity is calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

(iii) Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method. Similarly, the liability for long service awards which accrue to employees over the period of their service is also actuarially determined.

l. Employee Share Purchase Scheme (ESPS)

As per the Guidance Note on Accounting for Employee Share based payments issued by the Institute of Chartered Accountants of India, the Company has adopted intrinsic value method in accounting of ESPS.

m. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in estimate of recoverable amount.

n. Leases

Leases are classified as finance lease where the terms of the lease transfer substantially all risks and rewards of ownership to lessee. Fixed assets acquired under finance lease are capitalized at the inception of the lease, at the lower of fair value and present value of minimum payment. Lease payments are apportioned between outstanding liability and finance charges. The finance charges are allocated to the periods during the lease term so as to obtain a constant periodic rate of interest on the outstanding liability.

Leases are classified as operating lease where significant portion of risks and rewards of ownership of assets acquired under lease are retained by the lessor. Lease rentals for such leases are charged to the Statement of Profit and Loss on a straight line basis over the lease term.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amount (in ₹)

3 SHARE CAPITAL	As at March 31, 2014	As at March 31, 2013
Authorised		
25,000,000 Equity Shares of ₹ 10 each (As at March 31, 2013 - 25,000,000 Equity Shares of ₹ 10 each)	250,000,000	250,000,000
	250,000,000	250,000,000
Issued, Subscribed and Fully Paid Up		
25,000,000 Equity Shares of ₹ 10 each (As at March 31, 2013 - 25,000,000 Equity Shares of ₹ 10 each)	250,000,000	250,000,000
TOTAL	250,000,000	250,000,000

3(a) Reconciliation of number of shares outstanding

Particulars	No. of shares	Amt in ₹
Opening Share Capital as on April 01, 2012	250,000,000	250,000,000
Equity Face Value ₹ 10 fully paid up		
Additions during the year	-	-
Equity		
Opening Share Capital as on April 01, 2013	250,000,000	250,000,000
Equity Face Value ₹ 10 fully paid up		
Additions during the year	-	-
Equity		
Closing Share Capital as on March 31, 2014	250,000,000	250,000,000
Equity Face Value ₹ 10 fully paid up		

3 (b) List of shareholders holding more than 5% equity shares as at:

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tata Capital Limited and its nominees	25,000,000	100%	25,000,000	100%

The ultimate holding company is Tata Sons Limited

3 (c) The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Amount (in ₹)

4 RESERVES AND SURPLUS	As at March 31, 2014	As at March 31, 2013
Surplus / (Deficit) in Statement of Profit and Loss		
As per Last Balance Sheet	13,560,315	21,956,578
Add: Loss during the period	(66,083,348)	(8,396,263)
Total	(52,523,033)	13,560,315

Amount (in ₹)

5 LONG TERM PROVISIONS	As at March 31, 2014	As at March 31, 2013
Provision for retirement and other employee benefit schemes		
– Provision for Long Term Service Award	643,770	623,650
Total	643,770	623,650

Amount (in ₹)

6 SHORT TERM BORROWINGS	As at March 31, 2014	As at March 31, 2013
(a) Inter Corporate Deposit from Related Parties (Unsecured)		
– Tata Capital Limited	165,500,000	20,000,000
– Tata Capital Financial Services Limited (repayable within one year)	–	35,000,000
(b) Others		
– Bank Overdraft as per books	–	50,733,341
Total	165,500,000	105,733,341

Amount (in ₹)

7 TRADE PAYABLES	As at March 31, 2014	As at March 31, 2013
(a) Payable to Airlines	38,301,952	47,936,837
(b) Payable to other service providers	18,661,722	17,047,021
(c) Payable to Related Parties	62,092,072	53,032,271
(d) Accrued Employee benefits expense	5,652,633	3,364,487
Total	124,708,379	121,380,616

Amount (in ₹)

8 OTHER CURRENT LIABILITIES	As at March 31, 2014	As at March 31, 2013
(a) Interest accrued but not due	–	943,699
(b) Interest accrued and due	11,635	–
(c) Other liabilities	20,462,942	16,203,260
(d) Statutory dues	2,440,187	2,396,387
(e) Advance from customers	10,867,973	577,500
Total	33,782,737	20,120,846

Amount (in ₹)

9 SHORT TERM PROVISIONS	As at March 31, 2014	As at March 31, 2013
Provision for Leave Benefits	1,717,220	1,177,670
Total	1,717,220	1,177,670

Amount in ₹

10. FIXED ASSETS	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK
	Opening balance as at April 1, 2013	Additions during the year	Deletions during the year	Closing balance as at March 31, 2014	Up to April 1, 2013	Additions during the year	Deletions during the year	Up to March 31, 2014	As at March 31, 2014
A. Tangible									
Building	5,937,000	653,050	-	6,590,050	1,029,080	250,294	-	1,279,374	5,310,676
	5,937,000	-	-	5,937,000	791,600	237,480	-	1,029,080	4,907,920
Furniture & Fixtures	955,393	-	103,087	852,306	730,748	197,332	75,774	852,306	-
	980,393	-	25,000	955,393	617,208	123,950	10,410	730,748	224,645
Lease hold Improvements	1,936,015	-	-	1,936,015	650,664	698,347	-	1,349,011	587,004
	1,936,015	-	-	1,936,015	310,683	339,981	-	650,664	1,285,351
Vehicles	1,132,469	-	760,018	372,451	610,753	85,304	323,606	372,451	-
	1,554,790	-	422,321	1,132,469	388,672	307,795	85,714	610,753	521,716
Office Equipment	1,084,058	-	100,000	984,058	701,166	188,466	64,514	825,118	158,940
	1,084,058	25,000	25,000	1,084,058	577,786	138,516	15,136	701,166	382,892
Computer	4,740,932	189,382	25,000	4,905,314	4,566,724	151,931	25,000	4,693,654	211,666
	4,764,734	47,797	71,599	4,740,932	3,958,441	646,736	38,456	4,566,724	174,208
Total	15,785,867	842,432	988,105	15,640,194	8,289,135	1,571,673	488,894	9,371,914	6,268,286
<i>Total</i>	16,256,990	72,797	543,920	15,785,867	6,644,390	1,794,458	149,715	8,289,135	7,496,732
B. Intangible (Other than internally generated)									
Goodwill	111,410,621	-	-	111,410,621	-	-	-	-	111,410,621
	111,410,621	-	-	111,410,621	-	-	-	-	111,410,621
Software	1,228,409	981,982	-	2,210,391	881,534	561,649	-	1,443,183	767,208
	1,228,409	-	-	1,228,409	472,105	409,429	-	881,534	346,875
Total	112,639,030	981,982	-	113,621,012	881,534	561,649	-	1,443,183	112,177,829
<i>Total</i>	112,639,030	-	-	112,639,030	472,105	409,429	-	881,534	111,757,496
TOTAL	128,424,898	1,824,414	988,105	129,261,207	9,170,669	2,133,322	488,894	10,815,097	118,446,115
<i>Previous Year</i>	128,896,020	72,797	543,920	128,424,897	7,116,495	2,203,887	149,715	9,170,669	119,254,228

Previous Years Figures are given in *italics*

Amount (in ₹)

11 LONG TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)	As at March 31, 2014	As at March 31, 2013
(a) Security Deposit		
– Deposit for rent	3,617,200	5,363,200
	3,617,200	5,363,200
(b) Other Loans and Advances		
– Advance Payment of Tax (net of provision for tax)	23,979,946	17,174,832
– Loan to ESOP Trust	95,512	42,808
	24,075,458	17,217,640
Total	27,692,658	22,580,840

Amount (in ₹)

12 OTHER NON CURRENT ASSETS	As at March 31, 2014	As at March 31, 2013
Gratuity Asset (net of provision)	100,900	1,318,364
Total	100,900	1,318,364

Amount (in ₹)

13 INVESTMENTS	As at March 31, 2014	As at March 31, 2013
Current Investments (at lower of cost and fair value, unless otherwise stated)		
Unquoted :		
Investments in Units of Mutual Funds	482,216	451,785
Total	482,216	451,785
Book value of Quoted investments	–	–
Market value of Quoted investments	–	–
Book value of Unquoted investments	482,216	451,785
Net asset value of Unquoted mutual funds	482,216	451,785

Details of Current Investment - Unquoted Name of the Body Corporate (Daily dividend Schemes)	Closing as on March 31, 2014		Closing as on March 31, 2013	
	Units	Amount (in ₹)	Units	Amount (in ₹)
TATA Liquid Super High Investment Fund	154	171,663	144	160,662
KOTAK Flexi Debt Institutional Fund	30,908	310,553	28,974	291,123
	31,062	482,216	29,118	451,785

Amount (in ₹)

14 TRADE RECEIVABLES (UNSECURED)	As at March 31, 2014	As at March 31, 2013
A. Outstanding for a period exceeding over six months (from the due date of payment)		
(i) Considered good	28,099,430	69,912,673
(ii) Considered doubtful	12,189,395	8,182,148
B. Others		
(i) Considered good	284,378,939	215,977,885
(ii) Considered doubtful	-	-
	324,667,764	294,072,706
Less : Provision for doubtful debts	(12,189,395)	(8,182,148)
Total	312,478,369	285,890,558

Amount (in ₹)

15 CASH AND BANK BALANCES	As at March 31, 2014	As at March 31, 2013
(a) Cash in Hand	300,242	247,237
(b) Cheques and drafts in hand	-	21,100
(c) Balances with banks:		
– On Current accounts	35,262,021	55,285,738
(d) Deposit with Scheduled Banks (Lien against Bank Guarantee) (Deposit with original maturity for more than 3 months but less than 12 months)	169,215	11,156,019
Total	35,731,478	66,710,094
Of the above, the balances that meet the definition of Cash and Cash equivalent as per AS 3 Cash Flow Statements :	35,562,263	55,554,075

Amount (in ₹)

16 SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)	As at March 31, 2014	As at March 31, 2013
(a) Advance to Suppliers		
– Considered good	23,135,459	14,322,565
– Considered doubtful	217,318	217,318
(b) Prepaid Expenses	1,166,574	735,487
(c) Other Receivables	797,774	1,147,508
	25,317,125	16,422,878
Less : Provision for Doubtful loans and advances	(217,318)	(217,318)
Total	25,099,807	16,205,560

Amount (in ₹)

17 OTHER CURRENT ASSETS	As at March 31, 2014	As at March 31, 2013
(a) Receivable from Group Companies and Employees	352,482	152,961
(b) Interest Accrued on fixed deposit	-	32,048
(c) Incentive Receivable	3,445,048	-
Total	3,797,530	185,009

Amount (in ₹)

18 INCOME FROM SERVICES	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Income from Ticketing	54,317,764	67,641,404
(b) Income from Other Travel Related Services	18,733,464	22,976,771
Total	73,051,228	90,618,175

Billing to Customer include ₹ 1,522,170,948 (Previous year ended March 31, 2013 ₹ 1,906,540,374) on account of recoveries towards payment to principals and other costs.

Amount (in ₹)

19 OTHER INCOME	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Dividend income	30,431	29,880
(b) Liabilities written back	7,044,554	5,120,450
(c) Gain on Foreign Exchange Fluctuation	-	290,633
(d) Interest income on Fixed deposit with bank	113,779	752,272
(e) Miscellaneous income	3,363,021	3,106,640
Total	10,551,785	9,299,875

Amount (in ₹)

20 EMPLOYEE BENEFITS EXPENSE	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Salary, wages and bonus	55,490,599	47,394,296
(b) Contribution to provident fund and other funds	3,570,673	2,281,776
(c) Staff welfare expenses	718,552	380,305
Total	59,779,824	50,056,377

Amount (in ₹)

21 OTHER OPERATING EXPENSES	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Repairs and Maintenance		
(i) Buildings	20,182	21,594
(ii) Others	51,525	135,608
(b) Power and fuel	371,968	928,015
(c) Rent	11,969,774	7,266,554
(d) Rates and Taxes	37,981	47,603
(e) Legal and professional fees	3,792,881	2,539,328
(f) Printing and stationery	589,325	663,322
(g) Service provider's charges	22,010,553	7,110,154
(h) Communication Expenses	898,275	1,442,356
(i) Auditors' remuneration	800,000	810,000
(j) Railway booking charges	–	159,603
(k) Travelling and conveyance	4,771,992	1,248,939
(l) Group tour expenses	12,776,190	3,722,569
(m) Bank charges	1,447,791	1,410,316
(n) IT outsourcing cost	9,406,099	6,221,070
(o) Membership fees	71,721	22,887
(p) Vehicle maintenance	410,520	1,487,532
(q) Provision for Bad and Doubtful debts / Advances	4,007,247	5,279,024
(r) Bad Debts Written off	2,015,897	–
(s) Insurance Expense	2,380,932	2,593,725
(t) Loss on Sale of Assets	50,297	–
(u) Others	1,609,209	1,296,436
Total	79,490,359	44,406,635

Note:

Amount (in ₹)

1 Auditors' Remuneration (Excluding Service Tax)	For the year ended March 31, 2014	For the year ended March 31, 2013
i) Audit Fees	700,000	700,000
ii) Tax Audit Fees	100,000	100,000
iii) Other Services	–	10,000
Total	800,000	810,000

Amount (in ₹)

2 Expenditure incurred in Foreign Currency	For the year ended March 31, 2014	For the year ended March 31, 2013
Travelling and Group Tour expenses	6,119,771	3,392,066
Total	6,119,771	3,392,066

22. Contingent Liabilities and Commitments:

Commitments as at March 31, 2014 amounts to Nil (as on March 31, 2013 Nil). There are no contingent liabilities as at March 31, 2014 (as on March 31, 2013 Nil).

23. Employee benefits

Defined-Contribution Plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund cover substantially all regular employees. While both, the employees and the Company pay predetermined contributions into the provident fund, contributions into the family pension fund are made by only the Company. The contributions are based on a certain proportion of the employee's salary.

The Company recognised charge of ₹ 2,292,632/- (Previous Year ₹ 1,725,100/-) for provident fund and family pension fund contribution in the Statement of Profit and Loss.

Defined-Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. On adoption of the Accounting Standard (AS 15) on "Employee Benefits", actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

The following table sets out the Funded status of the Gratuity benefit scheme and the amount recognised in the Financial Statements

Particulars	Amount in ₹	
	2013-14	2012-13
Change in defined benefit obligation (DBO) during the year		
Opening defined benefit obligation	2,270,880	1,822,740
Current Service Cost	545,030	416,730
Acquisition Cost	507,240	–
Interest Cost	179,250	146,590
Actuarial Losses / (Gain)	820,960	160,320
Benefits Paid	(60,580)	(275,500)
Closing defined benefit obligation	42,62,780	2,270,880
Change in the fair value of assets during the year		
Opening fair value of plan assets	35,89,244	1,672,690
Acquisition Adjustment	507,240	–
Expected Return on Plan Assets	287,140	203,814
Actuarial Gains / (Losses)	(19,944)	(37,170)
Contributions by Employer	–	1,749,910
Benefits paid	–	–
Closing fair value of plan assets	4,363,680	3,589,244
Net Assets / (Liability) recognised in Balance Sheet		
Present value of defined benefit obligation	42,62,780	2,270,880
Fair value of plan assets	4,363,680	3,589,244
Funded status [Surplus / (Deficit)]	100,900	1,318,364
Unrecognised Past Services cost	–	–
Net Asset / (Liability) recognised in the Balance Sheet	100,900	1,318,364

Amount in ₹

Particulars	2013-14	2012-13
Net Gratuity expense for the year		
Current service cost	545,030	416,730
Interest costs	179,250	146,590
Expected return on plan assets	(287,140)	(203,814)
Actuarial (Gains) / Losses	840,901	197,170
Total Gratuity expense recognised in the Statement of Profit and Loss	1,278,041	556,676
Assumptions		
Discount Rate	9.30%	8.00%
Expected Rate of Return on Plan Assets	8.00%	8.00%
Salary Escalation Rate	7.50% p.a. for first 5 years and 5% thereafter	7.50% p.a. for first 5 years and 5% thereafter
Mortality tables	Indian Assured Lives Mortality (2006-08) (modified) Ult.	LIC (1994-96) ultimate
Withdrawal rate	0-2 years: 10% 3-4 years: 5% 5-9 years: 2.5% 10 and more:1%	0-2 years: 10% 3-4 years: 5% 5-9 years: 2.5% 10 and more:1%

Investment Pattern	Percentage 2013-14	Percentage 2012-13
Insurer Managed Funds		
Government Securities	40%	30%
Deposit & money market Securities	19%	16%
Debentures / Bonds	32%	46%
Equity Shares	9%	8%
Total	100%	100%

Composition of the plan assets is as follows:

Experience adjustment	2013-14	2012-13	2011-12	2010-11	2009-10
Experience Gain/(Loss) adjustments on Plan Liabilities	(1,381,860)	44,410	(135,110)	389,470	123,420
Experience Gain/(Loss) adjustments on Plan Assets	(19,944)	(37,170)	-	-	-
Actuarial Gain/(Loss) due to change on assumption	560,900	(204,730)	52,640	3,070	(48,510)
Defined benefit obligation at the end of the period	(4,262,780)	(2,270,880)	(1,822,740)	(1,432,120)	(1,480,340)
Funded Status	100,900	1,318,364	(150,370)	(1,432,120)	(1,480,340)
Plan Assets at the end of the period	43,63,780	3,589,244	1,672,370	-	-

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increases considered takes into account the inflation, seniority, promotion, increments and other relevant factors.

The contributions expected to be made by the Company during the financial year 2014-15 is ₹ Nil.

24. Disclosure as required by Accounting Standard (AS) 18 on “Related Party Disclosures”

A) List of related party and relationships

Related Party	Relationship
Tata Sons Limited	Ultimate holding company
Tata Capital Limited	Holding company

Subsidiaries of Tata Capital Limited

Tata Capital Financial Services Limited
 Tata Securities Limited
 Tata Capital Housing Finance Limited
 Tata Capital Forex Limited (Formerly known as TT Holdings & Services Limited)
 India Collections Management Limited

Subsidiaries of Tata Sons Limited (with whom transactions have been entered into during the current year)

Infiniti Retail Limited
 Tata Consultancy Services Limited
 Tata AIG General Insurance Company Limited
 Tata Investment Corporation Limited
 Drive India Enterprise Solutions Limited
 Tata AIA Life Insurance Company Limited (Formerly known as Tata AIG Life Insurance Company Limited)
 Tata Asset Management Limited
 Tata Business Support Services Limited
 Tata Petrodyne Limited
 Tata Industries Limited
 Tata International Limited
 Tata Advanced Materials Limited
 Tata Realty & Infrastructure Limited
 Tata Consulting Engineers Limited (Formerly known as TCE Consulting Engineers Limited)
 e-Nxt Financials Limited
 Indian Rotocraft Limited
 TRIL Constructions Limited
 TRIL Roads Private Limited

Key Management Personnel

Mr. Bhavesh Jatania - Manager

B) Transactions carried out with related parties referred in A above, in ordinary course of business:

Amount in ₹

Sr. No.	Party Name		Nature of transaction	March 31, 2014	March 31, 2013
1	Tata Sons Limited (Ultimate holding company)	A)	Services rendered and reimbursement of costs #	57,791,897	54,653,640
		B)	Funds received for services rendered #	51,670,026	54,776,567
		C)	Outstanding receivable for services rendered (refer note (a) below) #	19,582,174	13,460,303
		D)	Share of Rent & expenses for premises occupied paid	6,808,631	2,943,000
		E)	Deposit for Premises	3,390,000	5,190,000
2	Tata Capital Limited (Holding Company)	A)	ICD Received	165,500,000	20,000,000
		B)	ICD Repaid	20,000,000	–
		C)	ICD Payable	165,500,000	20,000,000
		D)	Interest Accrued	11,635	24,747
		E)	Interest Expense on ICD	2,299,607	247,463
		F)	Expenses incurred on our behalf	2,831,927	1,132,528
3	Tata Capital Financial Services Limited (Subsidiary of Tata Capital Limited)	A)	ICD Received	–	163,000,000
		B)	ICD Repaid	35,000,000	318,500,000
		C)	ICD Payable	–	35,000,000
		D)	Interest Accrued	–	918,954
		E)	Interest expense on ICD	655,984	11,230,404
		F)	Expenses incurred on our behalf	9,493,176	11,361,752
		G)	Balance payable towards expenses incurred on our behalf	60,163,737	51,884,407
		H)	Services rendered and reimbursement of costs #	74,504,139	67,336,729
		I)	Funds received for services rendered #	76,893,128	54,883,089
		J)	Outstanding receivable for services rendered (refer note (a) below) #	16,235,378	18,624,367
4	Tata Securities Limited (Subsidiary of Tata Capital Limited)	A)	Services rendered and reimbursement of costs #	4,001,061	6,055,981
		B)	Funds received for services rendered #	4,149,109	4,564,163
		C)	Outstanding receivable for services rendered (refer note (a) below) #	2,112,673	2,260,721
5	Infiniti Retail Limited (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	13,468,261	8,440,098
		B)	Funds received for services rendered #	11,160,749	10,109,807
		C)	Outstanding receivable for services rendered (refer note (a) below) #	4,579,137	2,271,625
6	Tata Consultancy Services Limited (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	187,762,370	364,723,680
		B)	Funds received for services rendered #	205,481,216	367,279,207
		C)	Outstanding receivable for services rendered (refer note (a) below) #	6,567,197	24,286,043
		D)	Software AMC & other maintenance cost	3,318,264	2,388,803
7	Tata AIG General Insurance Company Limited (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	17,758,990	24,165,334
		B)	Funds received for services rendered #	21,707,498	23,039,981
		C)	Outstanding receivable for services rendered (refer note (a) below) #	3,908,982	7,857,490
		D)	Referral fees Earned	–	1,715,097

Amount in ₹

Sr. No.	Party Name		Nature of transaction	March 31, 2014	March 31, 2013
8	Tata Asset Management Limited (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	766,045	1,696,774
		B)	Funds received for services rendered #	385,428	2,018,745
		C)	Outstanding receivable / (Payable) for service rendered (refer note (a) below) #	242,880	(137,737)
9	Tata Business Support Services Limited (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	2,399,924	317,383
		B)	Funds received for services rendered. #	1,279,522	337,684
		C)	Outstanding receivable for services rendered (refer note (a) below)	1,218,219	97,818
10	Tata Petrodyne Limited (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	5,217,190	5,330,458
		B)	Funds received for services rendered (Refer note below) #	6,076,434	5,371,473
		C)	Outstanding receivable for services rendered (refer note (a) below) #	1,002,050	1,861,294
11	Tata Realty & Infrastructure Limited (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	7,860,693	14,409,347
		B)	Funds received for services rendered #	6,986,003	20,639,680
		C)	Outstanding receivable for services rendered (refer note (a) below)	2,910,571	2,035,881
12	TATA Consulting Engineers Limited (Formerly known as TCE Consulting Engineers Limited) (Subsidiary of Tata Sons Limited)	A)	Funds received for services rendered #	-	66,324
13	e-Nxt Financials Limited (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	5,463,675	5,136,625
		B)	Funds received for services rendered #	5,031,731	4,999,503
		C)	Outstanding receivable for services rendered (refer note (a) below) #	2,545,890	2,113,946
		D)	Services received	15,072,050	154,296
		E)	Outstanding Payable for services received	6,712,702	157,216
14	Tata AIA Life Insurance Company Limited (Formerly known as Tata AIG Life Insurance Company Limited) (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	202,005	328,021
		B)	Funds received for services rendered #	-	150,776
		C)	Outstanding / Receivable for services rendered (refer note (a) below) #	313,020	111,015
15	Tata Capital Housing Finance Limited (Subsidiary of Tata Capital Limited)	A)	Services rendered and reimbursement of costs #	6,289,955	5,569,353
		B)	Funds received for services rendered	2,932,811	4,319,818
		C)	Outstanding Receivable for services rendered (refer note (a) below) #	4,855,306	1,498,162
16	Tata Capital Forex limited (Formerly Known as TT Holdings & Services Limited) (Subsidiary of Tata Capital Limited)	A)	Services rendered and reimbursement of costs #	2,067,309	417,625
		B)	Funds received for services rendered #	1,161,110	343,527
		C)	Outstanding Receivable for services rendered (refer note (a) below) #	1,109,792	219,832
		D)	Foreign Exchange Purchased	6,119,771	3,430,100
		E)	Commission Earned on Foreign Exchange	-	59,423

Amount in ₹

Sr. No.	Party Name		Nature of transaction	March 31, 2014	March 31, 2013
17	Tata Investment Corporation Limited (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	114,088	177,282
		B)	Funds received for services rendered #	62,511	160,559
		C)	Outstanding Receivable for services rendered (refer note (a) below) #	62,491	10,913
18	Drive India Enterprise Solutions Limited (Subsidiary of Tata Sons Limited)	A)	Funds received for services rendered #	193,921	51,235
		B)	Outstanding receivable for services rendered (refer note (a) below) #	43,367	237,288
19	Tata Industries Limited (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	9,037,312	7,344,287
		B)	Funds received for services rendered #	7,745,121	9,374,452
		C)	Outstanding receivable for services rendered (refer note (a) below) #	2,756,881	1,464,690
20	Tata Advanced Materials Limited (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	9,949,128	8,038,069
		B)	Funds received for services rendered #	8,063,900	7,977,145
		C)	Outstanding receivable for services rendered (refer note (a) below) #	3,410,556	1,525,328
21	Indian Rotocraft Limited (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	2,173,157	1,694,891
		B)	Funds received for services rendered #	2,125,213	2,104,003
		C)	Outstanding receivable for services rendered (refer note (a) below) #	236,328	188,384
22	Tata International Limited (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	610,526	697,667
		B)	Funds received for services rendered #	608,746	835,289
		C)	Outstanding receivable for services rendered (refer note (a) below) #	105,787	104,007
23	TRIL Constructions Limited (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	35,775	–
		B)	Funds received for services rendered #	–	3,661
		C)	Outstanding receivable for services rendered (refer note (a) below) #	35,775	–
24	TRIL Roads Private Limited (Subsidiary of Tata Sons Limited)	A)	Services rendered and reimbursement of costs #	718,090	720,235
		B)	Funds received for services rendered #	729,910	979,083
		C)	Outstanding receivable for services rendered (refer note (a) below) #	49,217	61,037
25	India Collections Management Limited (Subsidiary of Tata Capital Limited)	A)	Services rendered and reimbursement of costs #	3,109	–
		B)	Funds received for services rendered #	–	71,128
		C)	Outstanding receivable for services rendered (refer note (a) below) #	3,109	–
26	Key Management Personnel	A)	Remuneration to key management personnel	7,674,747	–

Services rendered and reimbursement of costs includes amounts billed to Customers on account of amounts payable to principals.

Note:

(a) Includes funds received against opening balance as at December 1, 2008 i.e. the date of transfer of balances on business acquisition.

25. The company avails from time to time non-cancellable long-term leases for office premises including office furniture. The total of future minimum lease payments that the Company is committed to make is:

Lease Payments	Amount in ₹	
	As at March 31, 2014	As at March 31, 2013
– Within One Year	6,780,000	6,780,000
– Later than one year and not later than five years	5,085,000	11,865,000
– Later than five years	Nil	Nil

The amount charged towards lease rentals (as part of rent expenditure) is ₹ 6,780,000/- (Previous Year ₹ 1,695,000/-)

26. Earnings per share:

Particulars	Amount in ₹	
	2013-14	2012-13
Loss after tax	(66,083,348)	(8,396,263)
Weighted average number of equity shares used in computing basic earnings per share	25,000,000	25,000,000
Face value of equity shares	10	10
Basic and Diluted earnings per share	(2.64)	(0.34)

27. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Praveen P Kadle
(Chairman)

G. Sankaranarayanan
(Director)

S. H. Rajadhyaksha
(Director)

Mohini Dutta
(Director)

Bhavesh Jatania
(Manager)

Megha Sekharan
(Company Secretary)

MUMBAI

Date: May 05, 2014

TATA TC TRAVEL AND SERVICES LIMITED

Registered Office: One Forbes, Dr. V.B. Gandhi Marg, Fort, Mumbai 400 001

Corporate Identity Number: U63040MH2008PLC187559

Tel: 91 22 67459000; Website: www.tatacapital.com

NOTICE IS HEREBY GIVEN THAT THE SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF TC TRAVEL AND SERVICES LIMITED will be held on Monday, June 30, 2014 at 12.30 PM in the Board Room, 1st Floor, One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai - 400 001 to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet of the Company as at that date together with the Report of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Praveen P Kadle (DIN-00016814), who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED** that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, M/s Deloitte Haskins & Sells (ICAI Firm Registration No. 117365W) be and are hereby re-appointed as the Statutory Auditors of the Company for the Financial Year 2014-15, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration and on such terms and conditions, as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

**By Order of the Board of Directors
TC Travel And Services Limited**

**Megha Sekharan
Company Secretary**

Mumbai, June 4, 2014

Registered Office:

One Forbes

Dr. V. B. Gandhi Marg

Fort, Mumbai - 400 001

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND, ON A POLL, TO VOTE ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER. The instrument appointing the Proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (Forty Eight) hours before the AGM. Proxies submitted on behalf of limited companies must be supported by appropriate resolution/authority, as applicable.

**BRIEF RESUME OF DIRECTOR SEEKING RE-APPOINTMENT AT THIS
ANNUAL GENERAL MEETING
(AS ON JUNE 4, 2014)**

Particulars	Mr. Praveen P Kadle
Date of Birth and Age	January 21, 1957 57 years
Appointed on	August 25, 2010
Qualifications	B.Com. (Hons.), A.C.A, A.C.S, A.C.W.A.
Expertise in specific functional areas	Wide experience with well-known Indian companies in the fields of management, accountancy, law, finance and treasury. At present, he is the Managing Director and Chief Executive Officer of Tata Capital Limited and Tata Capital Financial Services Limited.
Directorships held in private and public companies (excluding foreign companies)	<p><u>Chairman</u></p> <ul style="list-style-type: none"> • Tata Securities Limited • Tata Capital Housing Finance Limited • E-Nxt Financials Limited • Tata Toyo Radiators Limited • Tata Capital Forex Limited <p><u>Managing Director</u></p> <ul style="list-style-type: none"> • Tata Capital Limited • Tata Capital Financial Services Limited <p><u>Director</u></p> <ul style="list-style-type: none"> • TC Travel And Services Limited • Tata Technologies Limited • Tata Capital Forex Limited • Tata AutoComp Systems Limited • Tata Cleantech Capital Limited • International Paper APPM Limited • International Asset Reconstruction Company Private Limited
Memberships/ Chairmanships of committees across public companies (only Audit and Shareholders'/ Investors' Grievance Committee)	<p><u>Audit Committee</u></p> <p><u>Chairman</u></p> <ul style="list-style-type: none"> • Tata Technologies Limited <p><u>Member</u></p> <ul style="list-style-type: none"> • TC Travel and Services Limited • Tata AutoComp Systems Limited • International Paper APPM Limited • Tata Capital Forex Limited • Tata Cleantech Capital Limited <p><u>Shareholders' / Investors' Grievance Committee</u></p> <p><u>Member</u></p> <ul style="list-style-type: none"> • Tata Capital Limited • Tata Capital Financial Services Limited
Shareholding	Holds one share of Rs. 10/- each jointly with Tata Capital Limited