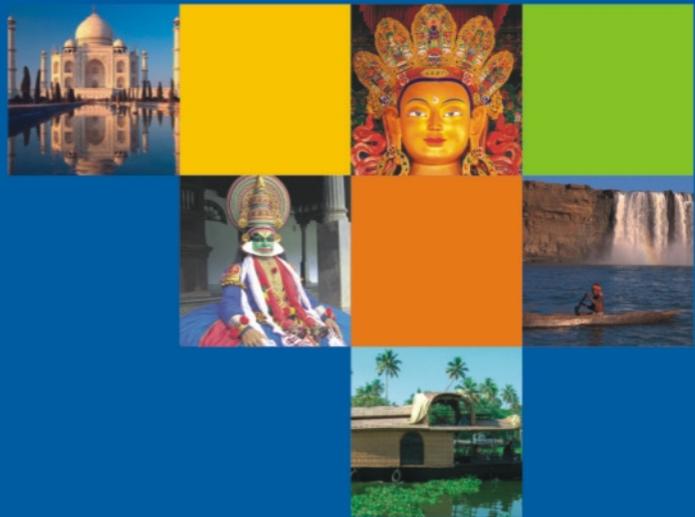


INTERNATIONAL TRAVEL HOUSE LIMITED

● ● ● ANNUAL REPORT- 2008



Welcome to the world of International Travel House



International Travel House Limited is a total travel management company with an ISO 9001 accreditation and 27 milestone years as its track record. With strategic affiliations, a nationwide network, 24x7 travel counters and a complete range of in-house services, ITH provides end-to-end travel solutions from ticketing, hotel accommodation, transportation, money changing to organising conferences and events. Amongst all this only one thing remains constant the pursuit of excellence.



National Tourism Award
Tourist Transport Operator
2006-2007



Golden Peacock Award
Innovative Product / Service
2007



Best Travel Agency-India Award
TTG
2005, 2006 & 2007



Ethics is Good Business Award
PHDCCI
2007



Golden Peacock Award
Excellence in Corporate Governance
2007



Best Car Rental Company in India Award
Hospitality and Explore The World
2007

International Travel House Limited

CONTENTS

| | |
|---|----|
| Board of Directors | 2 |
| Notice of Annual General Meeting | 3 |
| Your Directors | 6 |
| Report on Corporate Governance | 9 |
| Shareholder Information | 16 |
| Report of the Directors & Management Discussion and Analysis | 20 |
| Annexures to the Report of the Directors | 23 |
| CEO & CFO Certification | 25 |
| Balance Sheet | 26 |
| Profit and Loss Account | 27 |
| Cash Flow Statement | 28 |
| Schedules to the Accounts | 29 |
| Report of the Auditors | 45 |
| Balance Sheet Abstract | 48 |

International Travel House Limited

BOARD OF DIRECTORS

Chairman and Non-Executive Director

Sahibzada Syed Habib-Ur-Rehman

Managing Director

Jehangir Jal Ghadiali

Non-Executive Directors

Nakul Anand

Anil Rajput

Homi Phiroze Ranina

Subrahmoneyan Chandra Sekhar

Krishan Lal Thapar

Om Prakash Vaish

BOARD COMMITTEES

Audit Committee

K. L. Thapar

H. P. Ranina

S. C. Sekhar

O. P. Vaish

Jehangir J. Ghadiali

(Managing Director)

Atul Kumar

(Chief Financial Officer)

Mark Rebello

(Head of Internal Audit)

Representative of the

Statutory Auditors

Janaki Aggarwal

Chairman

Member

Member

Member

Invitee

Invitee

Invitee

Invitee

Secretary

Investor Services Committee

O. P. Vaish

Jehangir J. Ghadiali

S. C. Sekhar

Janaki Aggarwal

Chairman

Member

Member

Secretary

Nominations & Remuneration Committee

S. S. H. Rehman

Nakul Anand

Anil Rajput

H. P. Ranina

S. C. Sekhar

K. L. Thapar

O. P. Vaish

Chairman

Member

Member

Member

Member

Member

Member

CORPORATE MANAGEMENT COMMITTEE

Director

Jehangir J. Ghadiali

Chairman

Executives

Atul Kumar

Ghanshyam Arora

Janaki Aggarwal

Member

Member

Secretary

Company Secretary

Janaki Aggarwal

Registered Office

'Travel House', T-2, Community Centre

Sheikh Sarai, Phase-I, New Delhi-110 017

Auditors

S. R. Batliboi & Associates

Chartered Accountants

Gurgaon

International Travel House Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Seventh Annual General Meeting of the Members of International Travel House Limited will be held at Air Force Auditorium, Subroto Park, New Delhi - 110 010, on Thursday, the 21st day of August, 2008 at 9.30 a.m. for the transaction of the following businesses :-

ORDINARY BUSINESS

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2008, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend for the financial year ended 31st March, 2008.
3. To appoint Directors in place of those retiring by rotation.
4. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution :-
“Resolved that Messrs. S.R. Batliboi & Associates, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting to conduct the audit at a remuneration of Rs. 13,00,000/- (Rupees Thirteen Lacs) plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred.”

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution :-
“Resolved that Mr. Jehangir Jal Ghadiali be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.”
6. To consider and, if thought fit, to pass the following resolution which will be proposed as a Special Resolution :-
“Resolved that, in accordance with the applicable provisions of the Companies Act, 1956, or

any amendment or modification thereof, this Meeting hereby approves the appointment of Mr. Jehangir Jal Ghadiali as the Managing Director of the Company with effect from 17th February, 2008, for a period of two years, on the terms and conditions of remuneration as approved by the Board of Directors of the Company and as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, a copy whereof initialled by the Chairman for identification is placed before this Meeting.”

The Register of Members of the Company shall remain closed from Thursday, 7th August, 2008 to Thursday 21st August, 2008, both days inclusive. Share Transfers received in order with the Company's Registrars and Share Transfer Agents, M/s. MCS Limited at Sri Venkatesh Bhawan, W-40, Okhla Industrial Area, Phase-II, New Delhi-110 020, by close of business on 6th August, 2008 will be processed for payment of dividend, if declared, to the transferees or to their mandatees and the dividend, if declared, will be paid on or after 26th August, 2008, to those Members entitled thereto and whose names shall appear on the Register of Members of the Company on 21st August, 2008, or to their mandatees, subject however, to the provisions of Section 206A of the Companies Act, 1956, or any amendment or re-enactment thereof. In respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

By Order of the Board

Place : New Delhi
Dated : 7th May, 2008

Janaki Aggarwal
Company Secretary

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company.**

International Travel House Limited

NOTICE OF ANNUAL GENERAL MEETING

Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than forty-eight hours before the commencement of the Annual General Meeting i.e. by 9.30 a.m. on 19th August, 2008.

2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
3. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
4. In accordance with the provisions of Article 143 of the Articles of Association of the Company, Mr. O.P. Vaish and Mr. H.P. Ranina will retire by rotation at the Annual General Meeting and being eligible, offer themselves for re-appointment. These Directors do not hold any shares in the Company.
5. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board of Directors for appointment / re-appointment at the Annual General Meeting is appearing in the Report and Accounts.
6. Members are requested to bring their admission slips alongwith copy of the Report and Accounts to the Annual General Meeting.
7. Members holding shares in the certificate form are requested to notify / send the following to M/s. MCS Limited to facilitate better servicing :-
 - i) any change in their address / mandate / bank details,
 - ii) particulars of their bank account, in case the same have not been furnished earlier, and
 - iii) share certificates held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into a single account.
8. Members are advised that bank details and addresses as furnished by them or by NSDL / CDSL to the Company, for shares held in the certificate form and in the dematerialised form respectively, will be printed on their dividend warrant(s) as a measure of protection against fraudulent encashment.

9. Dividend for the financial year ended 31st March, 2001, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') in the month of October, 2008, pursuant to the provisions of Section 205A of the Companies Act, 1956.

Members who have not encashed their dividend warrant(s) for the financial year ended 31st March, 2001, or any subsequent financial year(s), are requested to lodge their claims with the Company. In respect of dividend for the financial year ended 31st March, 2001, it will not be possible to entertain claims which are received by the Company after 22nd October, 2008.

Members are advised that in terms of the provisions of Section 205C of the Companies Act, 1956, once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

10. Members who hold shares in the certificate form and wish to make / change nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, may submit to M/s. MCS Limited the prescribed Form 2B.
11. Members who wish to obtain any information on the Company or view the Accounts for the financial year ended 31st March, 2008, may visit the Company's website www.travelhouseindia.com.

EXPLANATORY STATEMENT

Annexed to the Notice convening the Twenty Seventh Annual General Meeting to be held on Thursday, 21st August, 2008.

Item 5

Mr. Jehangir J. Ghadiali was appointed as Additional Director of the Company with effect from 17th February, 2008.

In terms of Section 260 of the Companies Act, 1956 ('the Act') and Article 130 of the Articles of Association of the Company, Mr. Ghadiali will vacate his office at the Annual General Meeting. Due notice under Section 257 of the Act has been received by the Company from a Member proposing the appointment of Mr. Ghadiali as Director of the Company at this Annual General Meeting, whose period of office shall be liable to determination by retirement of Directors by rotation. Mr. Ghadiali has filed his consent pursuant to Section 264(1) of the Act to act as such Director, if appointed.

International Travel House Limited

NOTICE OF ANNUAL GENERAL MEETING

Mr. Ghadiali is interested in the Resolution relating to his appointment. None of the other Directors of your Company is interested in this Resolution.

The Board of Directors of your Company recommends this Resolution for your approval.

Item 6

The Board of Directors of your Company ('the Board') at its meeting held on 24th January, 2008, on the recommendation of the Nominations and Remuneration Committee, appointed Mr. Jehangir J. Ghadiali as the Managing Director of the Company with effect from 17th February, 2008, for a period of two years, on the following remuneration, as recommended by the Nominations and Remuneration Committee, subject to the approval of the Members, in pursuance of the provisions of Schedule XIII and other applicable provisions of the Companies Act, 1956 ('the Act') :-

- (i) Consolidated Salary - Rs. 85,000/- per month.
- (ii) Supplementary Allowance - Rs. 75,000/- per month.
- (iii) Performance Bonus - Not exceeding 50% of the Consolidated Salary payable annually, for each financial year, as may be determined by the Board.
- (iv) Perquisites - In addition to the aforesaid Consolidated Salary, Supplementary Allowance and Performance Bonus, Mr. Ghadiali shall be entitled to perquisites like reimbursement of medicals, leave travel concession for self and family, club fees etc., in accordance with the Rules of the Company, the monetary value of such perquisites being limited to Rs. 3,00,000/- per annum, for the purpose of which limit perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such Rule, perquisites shall be evaluated at actual cost. However, the following shall not be included in the aforesaid perquisite limit :-

- (a) Rent free accommodation owned / leased / rented by the Company, or Housing Allowance in lieu thereof, as per the Rules of the Company.
- (b) Contribution to Provident Fund and Superannuation Fund upto 27% of the Consolidated Salary and contribution to Gratuity Fund up to 8.33% of the Consolidated Salary or up to such other limit as may be prescribed under the Income-Tax Act, 1961 and the Rules made thereunder, for this purpose.
- (c) Use of Company car for official purposes and telephone at residence (including payment for local calls and long distance official calls).
- (d) Encashment of unavailed leave as per the Rules of the Company at the time of retirement / cessation of service.

The aggregate of the remuneration and perquisites / benefits, including contribution towards Provident Fund, Superannuation Fund and Gratuity Fund, payable to Mr. Ghadiali as the Managing Director shall not exceed 5% of the profits of the Company calculated in accordance with the provisions of Section 198 and 309 of the Act. The above remuneration shall also be the Minimum Remuneration payable to Mr. Ghadiali as Managing Director of the Company in case of absence or inadequacy of profits.

None of the Directors of your Company, other than Mr. Ghadiali, is interested in this Special Resolution.

The Board recommends this Special Resolution for your approval.

By Order of the Board

Place : New Delhi
Dated : 7th May, 2008

Janaki Aggarwal
Company Secretary

International Travel House Limited

YOUR DIRECTORS

S. S. H. Rehman

S. S. H. Rehman has been a Non-Executive Director of the Company since 9th March, 1992 and was appointed Chairman of the Company on 4th November, 1997. He is an Executive Director on the Board of ITC Limited and is currently in charge of the Hotels, Travel & Tourism and Foods businesses of that Company.

Rehman was educated at Osmania University in Hyderabad and began his career with the Indian Army. In 1975, he moved over to the hospitality industry and joined ITC Limited in 1979. At ITC-Welcomgroup, he has been General Manager of its premier hotels across India as also its Regional Director, Vice President-Operations and President.

Rehman is associated with several Travel Trade organisations and he has been recognised through many awards and citations. As a part of the tourism business for over 33 years, he has been associated with various tourism bodies such as World Travel and Tourism Council (WTTC) and Chairman of the Tourism Committee at Assocham and the Confederation of Indian Industries (CII). Rehman is also a member of the tourism task force in the Prime Minister's Reconstruction Plan for the State of Jammu & Kashmir.

Other Directorships

| Name of the Company | Position |
|---|--------------------------|
| Landbase India Limited | Chairman & Director |
| Gujarat Hotels Limited | Chairman & Director |
| Fortune Park Hotels Limited | Chairman & Director |
| Srinivasa Resorts Limited | Vice Chairman & Director |
| ITC Limited | Executive Director |
| Maharaja Heritage Resorts Limited | Director |
| Tourism Finance Corporation of India Limited | Director |
| Mumbai International Convention & Exhibition Centre Limited | Director |

Committee Membership of other Companies : Nil

Jehangir J. Ghadiali

Jehangir J. Ghadiali was appointed as an additional director and also as the Managing Director of the Company with effect from 17th February, 2008 for a period of two years.

He holds a Diploma in Hotel Management, Applied Nutrition & Catering Technology from IHMCTAN, Mumbai. He has rich experience of over 28 years with the Hotel and Tourism Industry. He joined ITC Limited in its Hotel Division as a management trainee in the year 1979 and since then worked in various positions and functions in ITC-Welcomgroup hotels. Just prior to joining Travel House, he was the General Manager of the ITC Park Sheraton & Towers, Chennai. He is a professional member of the Institute of Marketing and Management and has represented ITC Welcomgroup at various fora including TAAI, SATTE, FHRAI, WTM, BTF and ATM. He was selected General Manager of the Year - Luxury Hotel for the year 1998 by H&FS. He does not hold directorship or committee membership of any other company.

Nakul Anand

Nakul Anand was appointed as a Non-Executive Director of the Company on 6th January, 1998. Anand is an Economics Honours graduate from Delhi University. He joined ITC Limited in its Hotels Division as a management trainee in the year 1978. Since then he has held various positions in ITC-Welcomgroup's prestigious hotels including that of General Manager of the flagship hotel, ITC Maurya. He is currently the Divisional Chief Executive of Hotels Division of ITC Limited.

Anand is widely recognised for excellent man-management and team building abilities and for infusing the spirit of action and result oriented work culture. A firm believer of value based strategies, he has created a unique quality control model of operational excellence. He has won a number of awards for excellence including General Manager of the Year among General Managers worldwide, the Green Hotelier, to name a few.

Other Directorships

| Name of the Company | Position |
|-----------------------------------|----------|
| Gujarat Hotels Limited | Director |
| Srinivasa Resorts Limited | Director |
| Fortune Park Hotels Limited | Director |
| Bay Islands Hotels Limited | Director |
| Maharaja Heritage Resorts Limited | Director |
| Adayar Gate Hotels Limited | Director |
| Landbase India Limited | Director |

International Travel House Limited

YOUR DIRECTORS

Committee Memberships of other Companies

| Name of the Company | Committee | Position |
|------------------------|-----------------------------|----------|
| Gujarat Hotels Limited | Investor Services Committee | Member |

Anil Rajput

Anil Rajput was appointed as a Non-Executive Director of the Company on 29th May, 2000. He is an MBA from Delhi University and joined ITC Limited in 1976 in the finance function. Since then he has held various positions in ITC-Welcomgroup and now is the Vice President, Corporate Affairs of the Company. He has been associated with the hospitality industry for last 32 years and served International Travel House Limited from 1983 to 1989. During his tenure, the network of the Company expanded from two locations to multi locations. He does not hold directorship or committee membership of any other company.

H. P. Ranina

H. P. Ranina was appointed as a Non-Executive Director of the Company on 1st August, 1983 and is an Independent Director on the Board. He is a Chartered Accountant and Advocate by qualification and is currently practicing as an Attorney, having specialisation in Taxation, Corporate and Foreign Exchange Laws of India. He wrote his first book on Income Tax at the age of 25 and thereafter, he has authored several publications. He is a prolific writer, having written more than 2000 articles. He was appointed by the Government of India as a Member of a Committee of Experts to draft a new Income-tax Law. He has addressed more than 500 professional seminars on Taxation and Economics, Foreign Exchange Regulation Law both in India and abroad.

Ranina is the recipient of the “Outstanding Young Person’s Award” both at the State and National levels from the Jaycees. He has also been bestowed the “Economic Analyst Par Excellence” award by Rotary International. He was nominated by the Government of India as a Director on the Central Board of Reserve Bank of India since 27th November, 2000. He is the Chairman of the Inspection and Audit Committee of the Reserve Bank of India.

Other Directorships

| Name of the Company | Position |
|--------------------------|----------|
| Pennwalt India Limited | Director |
| Zenith Computers Limited | Director |

Committee Memberships of other Companies : Nil

S. C. Sekhar

S. C. Sekhar was appointed as a Non-Executive Director of the Company on 6th January, 1998. A Science graduate from Delhi University and a fellow member of The Institute of Chartered Accountants of India, Sekhar joined ITC Limited in its Hotels Division in the year 1978. During these 30 years, he has held various positions in the finance function besides working as Executive Assistant to Chairman of ITC’s Hotels Division. In 1992, he took over as Head of Finance and was subsequently promoted as Executive Vice-President with Finance, Treasury, Audit, Legal and Information Technology under his span of control. He is currently the Senior Executive Vice President of Hotels Division of ITC Limited and Managing Director of Landbase India Limited.

Other Directorships

| Name of the Company | Position |
|-----------------------------------|-------------------|
| Landbase India Limited | Managing Director |
| Gujarat Hotels Limited | Director |
| Srinivasa Resorts Limited | Director |
| Fortune Park Hotels Limited | Director |
| Bay Islands Hotels Limited | Director |
| Maharaja Heritage Resorts Limited | Director |
| Adayar Gate Hotels Limited | Director |
| CLI3L e-Services Limited | Director |

Committee Memberships of other Companies

| Name of the Company | Committee | Position |
|----------------------------|-----------------------------|----------|
| Srinivasa Resorts Limited | Audit Committee | Chairman |
| Gujarat Hotels Limited | Investor Services Committee | Chairman |
| Gujarat Hotels Limited | Audit Committee | Member |
| Adayar Gate Hotels Limited | Audit Committee | Member |
| CLI3L e-Services Limited | Audit Committee | Member |

International Travel House Limited

YOUR DIRECTORS

K. L. Thapar

K. L. Thapar was appointed as an Independent Non-Executive Director of the Company on 9th March, 2004. He is the former Principal Advisor and Secretary to the Government of India in the Planning Commission and is presently the Chairman of the Asian Institute of Transport Development. The Institute is an acknowledged centre of excellence for research and studies in the infrastructure sector with a special consultative status with the United Nations.

Thapar has wide ranging experience spanning over four decades in policy formulation, planning, investment and management of infrastructure at national and international levels. He has chaired and served on several Commissions and Committees set up by the Government and International Bodies. He is the author of well known report that led to the liberalisation of the hotel and tourism industry in the country.

As Adviser and Consultant to International Institutions such as United Nations, World Bank, Asian Development Bank, he has served in a number of countries. He holds a Master's degree in Humanities and is an alumni of professional institutions like Economic Development Institute of the World Bank, British Staff College etc. He does not hold directorship or committee membership of any other company.

O. P. Vaish

O. P. Vaish was appointed as an Independent Non-Executive Director of the Company on 28th March, 2002. He is a Senior Advocate of Supreme Court of India and founder of the law firm, 'Vaish Associates', Advocates at New Delhi, Gurgaon and Mumbai.

He served the Indian Revenue Service and had been Chief (Taxation Division) of the Federation of Indian Chambers of Commerce and Industry for 8 years. He was President of PHD Chamber of Commerce and Industry & Member of the local Advisory Board of Bank of America, Member of Managing Committee of Assocham, Board of Directors of Rotary International, Board of Trustees of Rotary Foundation, Member of Expert Committee to advise Government on new Company Law.

Currently he is President of International Fiscal Association, Vice Chairman of Indian Fiscal Academy, Member of FICCI Executive Committee & Finance Committee of Rotary International, Member of Board of Trustees of Centre for Civil Society and Chairman of Rotary Blood Bank. He is Government nominee on the Council of the Institute of Chartered Accountants of India.

Other Directorships

| Name of the Company | Position |
|---------------------------------------|----------|
| PNB Finance & Industries Limited | Director |
| Indo Rama Synthetics (India) Limited | Director |
| Godfrey Philips India Limited | Director |
| The India Thermit Corporation Limited | Director |
| Emaar MGF Land Limited | Director |

Committee Memberships of other Companies

| Name of the Company | Committee | Position |
|----------------------------------|-----------------|----------|
| Godfrey Philips India Limited | Audit Committee | Chairman |
| PNB Finance & Industries Limited | Audit Committee | Member |
| Emaar MGF Land Limited | Audit Committee | Member |

International Travel House Limited

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance.

THE COMPANY'S GOVERNANCE PHILOSOPHY

The Company firmly believes in good Corporate Governance and has made it a practice and a continuous process of development right across the Company. The Company's philosophy on Corporate Governance envisages the attainment of high level of transparency and accountability in the functioning of the Company and conduct of business and places due emphasis on regulatory compliance. It has empowered the Executive Management to take decisions with regard to day to day operations and has also created checks and balances that such decisions are taken with care and responsibility to meet Shareholders' aspirations and societal expectations.

The Company's Corporate Philosophy is focussed on its people who are its most important asset and values its employees' integrity, creativity, ability, judgement and opinions who in turn demonstrate the highest ethical standards and responsibility towards the shareholders. This has helped the Company to take rapid strides in its pursuit for excellence.

The Company is committed to enhance shareholder value in a fair and transparent manner and has been in the forefront for bench marking itself with the best business practices globally.

The Governance Structure

The practice of Corporate Governance in the Company is at three inter linked levels :

- i. Strategic supervision - by the Board of Directors ;
- ii. Strategic management - by the Corporate Management Committee ; and
- iii. Executive management - by the Functional Heads under the overall guidance and direction of the Managing Director.

This three-tier structure enables the Board of Directors to carry out the task of strategic supervision as trustees of Shareholders, unencumbered by the task of strategic management, in a manner that imparts objectivity and secures sharpened accountability from the management. Similarly, the Corporate Management Committee can engage in the task of strategic management of the

Company as a whole, leaving the task of day-to-day executive management with the empowered Functional Heads under the overall guidance and direction of the Managing Director.

BOARD OF DIRECTORS

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

Composition

The composition of the Board of Directors of the Company is balanced, comprising Executive and Non-Executive Directors, the latter including independent professionals. The present strength of the Board of Directors of the Company is eight, of which one is an Executive Director.

Composition of the Board of Directors as on 31st March, 2008

| Category | No. of Directors | Percentage to total no. of Directors |
|-------------------------------------|------------------|--------------------------------------|
| Executive Director | 1 | 12 |
| Non-Executive Independent Directors | 3 | 38 |
| Other Non-Executive Directors | 4 | 50 |
| Total | 8 | 100 |

Meetings and Attendance

During the year under review, the Board Meetings were held on the following dates :

| Sl. No. | Date | Board Strength | No. of Directors present |
|---------|--------------------|----------------|--------------------------|
| 1 | 11th May, 2007 | 8 | 7 |
| 2 | 31st July, 2007 | 8 | 5 |
| 3 | 29th October, 2007 | 8 | 8 |
| 4 | 24th January, 2008 | 8 | 8 |
| 5 | 28th March, 2008 | 8 | 7 |

International Travel House Limited

REPORT ON CORPORATE GOVERNANCE

The composition of Board as on 31st March, 2008 and Directors' attendance at the Board Meetings during the financial year and the last Annual General Meeting (AGM) as also their other Directorships and Committee Memberships are given below:

| Sl. No. | Director | Category | No. of Board meetings attended | Attendance at last AGM | No. of other Directorships* | No. of other Committee Memberships/ Chairmanships** |
|---------|--------------------------|------------------------------------|--------------------------------|------------------------|--------------------------------------|---|
| 1 | S. S. H. Rehman | Chairman & Non-Executive Director | 5 | Yes | 8 | Nil |
| 2 | H. P. Ranina | Non-Executive Independent Director | 5 | Yes | 2 | Nil |
| 3 | K. L. Thapar | Non-Executive Independent Director | 5 | Yes | Nil | Nil |
| 4 | O. P. Vaish | Non-Executive Independent Director | 4 | Yes | 5 | 3 (including 1 as Chairman) |
| 5 | Nakul Anand | Non-Executive Director | 5 | Yes | 7 | 1 |
| 6 | Anil Rajput | Non-Executive Director | 3 | Yes | Nil | Nil |
| 7 | S. C. Sekhar | Non-Executive Director | 3 | Yes | 8 (including 1 as Managing Director) | 5 (including 2 as Chairman) |
| 8 | Anil Bhandari *** | Managing Director | 4 | Yes | N.A. | N.A. |
| 9 | Jehangir J. Ghadiali**** | Managing Director | 1 | N.A. | Nil | Nil |

* Excludes Directorships in Indian Private Limited Companies, Foreign Companies, Memberships of Managing Committees of various Chambers / Bodies and Alternate Directorship.

** Represents Memberships / Chairmanships of Audit Committee and Investors Grievance Committee of Indian Public Limited Companies.

*** Ceased to be a Director w.e.f. 17th February, 2008.

**** Appointed as Director and Managing Director w.e.f. 17th February, 2008.

COMMITTEES OF THE BOARD

The Board of Directors has constituted three Committees of the Board - the Audit Committee, the Investor Services Committee and the Nominations & Remuneration Committee. The role and composition of these Committees, including the number of the meetings held and the related attendance, is as follows :

A. AUDIT COMMITTEE

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures :

- efficiency and effectiveness of the operations;
- safeguarding of assets;
- reliability of financial and other management information;

- compliance with relevant national laws and regulations.

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to :

- investigate any activity within its terms of reference and to seek information from any employee;
- obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The role of the Committee includes the following :

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by the auditors;

International Travel House Limited

REPORT ON CORPORATE GOVERNANCE

- Reviewing with the management the annual financial statements before submission to the Board, focussing primarily on :
 - Any changes in accounting policies and practices
 - Major accounting entries based on exercise of judgement by management
 - Qualifications in the draft audit report
 - Significant adjustments arising out of audit
 - The going concern assumption
 - Compliance with Accounting Standards
 - Compliance with Stock Exchanges and legal requirements concerning financial statements
 - Related party transactions;
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems and Company's statement on the same prior to endorsement by the Board;
- Reviewing the adequacy of the internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with external auditors, before the audit commences, on nature and scope of audit as well as after conclusion of audit to ascertain any areas of concern and review the comments contained in their management letter;
- Reviewing the Company's financial and risk management policies;
- Looking into the reasons for substantial defaults, if any, in payment to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors;
- Considering such other matters as may be required by the Board;
- Reviewing any other areas which may be specified as role of the Audit Committee under the Listing Agreement, Companies Act and other statutes, as amended from time to time.

Composition

The Audit Committee comprises four Non-Executive Directors, with three of them being Independent Directors. The Chairman of the Committee is a Non-Executive Independent Director. The Managing Director, the Chief Financial Officer, the Head of Internal Audit and the representative of the Statutory Auditors are Invitees to the Audit Committee, and the Company Secretary is the Secretary to the Committee.

All members of the Committee are financially literate and two members have accounting and financial management expertise. The names of the members of the Audit Committee, including its Chairman, are provided elsewhere in the Report and Accounts.

Meetings and Attendance

Details of Audit Committee Meetings held during the financial year 2007-2008

| Sl. No. | Date | Committee Strength | No. of Members present |
|---------|--------------------|--------------------|------------------------|
| 1 | 11th May, 2007 | 4 | 3 |
| 2 | 31st July, 2007 | 4 | 2 |
| 3 | 29th October, 2007 | 4 | 4 |
| 4 | 24th January, 2008 | 4 | 4 |

Attendance at Audit Committee Meetings held during the financial year

| Director | No. of meetings attended |
|--------------|--------------------------|
| K. L. Thapar | 4 |
| H. P. Ranina | 4 |
| O. P. Vaish | 3 |
| S. C. Sekhar | 2 |

International Travel House Limited

REPORT ON CORPORATE GOVERNANCE

B. INVESTOR SERVICES COMMITTEE

The Investor Services Committee of the Board oversees redressal of shareholder and investor grievances and approves sub-division / transmission of shares, issue of duplicate share certificates etc.

Composition

The Investor Services Committee comprises three Directors with two of them being Non-Executive Directors. The Chairman of the Committee is a Non-Executive Independent Director.

The names of the members of the Investor Services Committee, including its Chairman, are provided elsewhere in the Report and Accounts.

Meetings and Attendance

Details of Investor Services Committee Meetings held during the financial year ended 31st March, 2008

| Sl. No. | Date | Committee Strength | No. of Members present |
|---------|--------------------|--------------------|------------------------|
| 1 | 11th May, 2007 | 3 | 2 |
| 2 | 30th July, 2007 | 3 | 3 |
| 3 | 29th October, 2007 | 3 | 3 |
| 4 | 24th January, 2008 | 3 | 3 |

Attendance at Investor Services Committee Meetings held during the financial year

| Director | No. of meetings attended |
|---------------|--------------------------|
| O. P. Vaish | 4 |
| S. C. Sekhar | 3 |
| Anil Bhandari | 4 |

C. NOMINATIONS & REMUNERATION COMMITTEE

The Nominations & Remuneration Committee of the Board, inter alia, recommends to the Board of Directors, the compensation terms of the Managing Director and the seniormost level of management immediately below the Managing Director. It also makes recommendations to the Board regarding top level successions and appointments viz. the membership of the Board, the Corporate Management Committee and the seniormost level of executive management one level below the Board. This Committee also functions as the Remuneration Committee in terms of Schedule XIII to the Companies Act, 1956.

Composition

The Nominations & Remuneration Committee comprises all Non-Executive Directors. The Chairman of the Company is the Chairman of this Committee.

The names of the members of the Nominations & Remuneration Committee, including its Chairman, are provided elsewhere in the Report and Accounts.

Meetings and Attendance

Details of Nominations & Remuneration Committee Meetings held during the financial year ended 31st March, 2008

| Sl. No. | Date | Committee Strength | No. of Members present |
|---------|--------------------|--------------------|------------------------|
| 1 | 11th May, 2007 | 7 | 6 |
| 2 | 30th July, 2007 | 7 | 7 |
| 3 | 29th October, 2007 | 7 | 7 |
| 4 | 24th January, 2008 | 7 | 7 |

International Travel House Limited

REPORT ON CORPORATE GOVERNANCE

Attendance at Nominations & Remuneration Committee Meeting held during the financial year ended 31st March, 2008

| Director | No. of meetings attended |
|-----------------|--------------------------|
| S. S. H. Rehman | 4 |
| Nakul Anand | 4 |
| Anil Rajput | 4 |
| H. P. Ranina | 4 |
| S. C. Sekhar | 3 |
| K. L. Thapar | 4 |
| O. P. Vaish | 4 |

Remuneration Policy

The Company's remuneration strategy aims at attracting and retaining high calibre talent. The remuneration policy, therefore, is market-led and takes

into account the competitive circumstance of each business so as to attract and retain quality talent and leverage performance significantly.

Remuneration of Directors

The remuneration of the Managing Director is determined and recommended to the Board by the Nominations & Remuneration Committee. The recommendations of the Committee are considered and approved by the Board subject to the approval of the Shareholders and other approvals as may be necessary. The Managing Director is entitled to Performance Bonus, as may be determined by the Nominations & Remuneration Committee.

Non-Executive Directors are not paid any remuneration. However, Independent Non-Executive Directors are entitled to sitting fees for attending meetings of the Board and Committees thereof. The sitting fees as determined by the Board are presently Rs. 7,500/- and Rs. 5,000/- for each meeting of the Board and Committee respectively.

Details of Remuneration paid to the Directors during the financial year ended 31st March, 2008

(Rs. in Lacs)

| Director | Consolidated Salary | Supplementary Allowance | Perquisites and other Benefits | Performance Bonus | Total | Sitting Fees |
|--------------------------------|---------------------|-------------------------|--------------------------------|-------------------|-------|--------------|
| Executive Director | | | | | | |
| Anil Bhandari* | 13.19 | 3.17 | 16.88 | 3.30 | 36.54 | - |
| Jehangir J. Ghadiali** | 1.23 | 1.09 | 0.88 | - | 3.20 | - |
| Non-Executive Directors | | | | | | |
| S.S.H. Rehman | - | - | - | - | - | - |
| Nakul Anand | - | - | - | - | - | - |
| Anil Rajput | - | - | - | - | - | - |
| H. P. Ranina | - | - | - | - | - | 0.77 |
| S. C. Sekhar | - | - | - | - | - | - |
| K. L. Thapar | - | - | - | - | - | 0.77 |
| O. P. Vaish | - | - | - | - | - | 0.85 |

* Ceased to be the Managing Director effective 17th February, 2008.

** Appointed as the Managing Director effective 17th February, 2008.

Presently, the Company does not have a scheme for grant of stock options.

International Travel House Limited

REPORT ON CORPORATE GOVERNANCE

Directors' Shareholding

Shareholding of the Directors in the Company as on 31st March, 2008

| Director | No. of Equity Shares of Rs. 10/- each held singly / jointly |
|----------------------|---|
| S. S. H. Rehman | Nil |
| Jehangir J. Ghadiali | Nil |
| Nakul Anand | 100 |
| Anil Rajput | Nil |
| H. P. Ranina | Nil |
| S. C. Sekhar | Nil |
| K. L. Thapar | Nil |
| O. P. Vaish | Nil |

Service Contracts and Severance Fees

The appointment of the Managing Director is governed by the resolutions passed by the Board of Directors and the Shareholders of the Company, which covers the terms and conditions of such appointment read with the service rules of the Company. There is no separate provision for payment of severance fee under the resolutions governing the appointment of the Managing Director.

CORPORATE MANAGEMENT COMMITTEE

The primary role of the Corporate Management Committee is strategic management of the Company's businesses within Board approved direction / framework.

Composition

The Corporate Management Committee comprises the Managing Director and three or four key senior members of management. The Managing Director of the Company is the Chairman of this Committee. The composition of the Corporate Management Committee is determined by the Board based on the recommendation of the Nominations & Remuneration Committee.

The names of the members of the Corporate Management Committee, including its Chairman, are provided elsewhere in the Report and Accounts.

Meetings and Attendance

Details of Corporate Management Committee Meetings held during the financial year ended 31st March, 2008

| Sl. No. | Date | Committee Strength | No. of Members present |
|---------|---------------------|--------------------|------------------------|
| 1 | 9th April, 2007 | 4 | 4 |
| 2 | 24th May, 2007 | 3 | 3 |
| 3 | 25th June, 2007 | 3 | 3 |
| 4 | 23rd July, 2007 | 4 | 3 |
| 5 | 22nd August, 2007 | 4 | 4 |
| 6 | 3rd October, 2007 | 4 | 3 |
| 7 | 30th October, 2007 | 4 | 3 |
| 8 | 28th November, 2007 | 4 | 4 |
| 9 | 3rd January, 2008 | 4 | 3 |
| 10 | 25th January, 2008 | 4 | 4 |
| 11 | 29th February, 2008 | 3 | 3 |

Attendance at Corporate Management Committee Meetings held during the financial year

| Member | No. of meetings attended |
|-------------------------|--------------------------|
| Anil Bhandari* | 10 |
| Atul Kumar | 10 |
| Ghanshyam Arora | 8 |
| Arvind Sinha** | 1 |
| Jehangir J. Ghadiali*** | 8 |

* Ceased to be a Member w.e.f. 17th February, 2008.

** Ceased to be a Member w.e.f. 23rd May, 2007.

*** Appointed as a Member w.e.f. 1st July 2007.

International Travel House Limited

REPORT ON CORPORATE GOVERNANCE

DISCLOSURES

- Materially significant related party transactions which may have potential conflict with the interests of the Company at large.

None; Confirmation was placed before the Audit Committee and the Board that all related party transactions during the year under reference were in the ordinary course of business and on arm's length basis.

- Details of non-compliances, penalties, strictures by Stock Exchanges / SEBI / Statutory Authorities on any matter related to capital markets during the last three years.

None

- Pecuniary relationship or transactions with the Non-Executive Directors.

None

MEANS OF COMMUNICATION

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end, the quarterly results of the Company were announced within a month of the end of each quarter for the first three quarters. The Audited annual results alongwith the results for the fourth quarter were announced within two months of the end of the financial year. Such results are normally published in 'The Financial Express' (all editions) and in a vernacular newspaper, 'Jansatta' from New Delhi. All these results, including the entire Report and Accounts, were posted on SEBI's and Company's websites www.sebidifar.nic.in and www.travelhouseindia.com respectively.

The Report of the Directors, forming part of the Report and Accounts, includes all aspects of the Management Discussion and Analysis Report.

ITH CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading ('ITH Code') in the

shares and securities of the Company. The ITH Code, inter alia, prohibits purchase / sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company. The Code is available on the Company's website.

ITHL CODE OF CONDUCT

The ITHL Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, senior management and employees of the Company. This Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. The Code covers ITHL's commitment to sustainable development, concern for occupational health, safety and environment, transparency and auditability, legal compliance, and the philosophy of leading by personal example. The Code is available on the Company's website.

Declaration as required under Clause 49 of the Listing Agreement

All Directors and senior management of the Company have affirmed compliance with The ITHL Code of Conduct for the financial year ended 31st March, 2008.

New Delhi
7th May, 2008

Jehangir J. Ghadiali
Managing Director

GENERAL SHAREHOLDER INFORMATION

Provided in the 'Shareholder Information' section of the Report and Accounts.

COMPLIANCE CERTIFICATE OF THE AUDITORS

The Statutory Auditors Certificate, as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges, that the Company has complied with the conditions of Corporate Governance is annexed to the Report of the Directors & Management Discussion and Analysis.

This Certificate will be forwarded to the Stock Exchanges alongwith the Annual Report of the Company.

International Travel House Limited

SHAREHOLDER INFORMATION

Annual General Meeting Details

| | |
|-----------------------|---|
| Date | Thursday, 21st August, 2008 |
| Venue | Air Force Auditorium, Subroto Park, New Delhi-110 010 |
| Time | 9.30 a.m. |
| Book Closure Dates | Thursday, 7th August, 2008 to Thursday, 21st August, 2008 (both days inclusive) |
| Dividend Payment Date | Thursday, 28th August, 2008 |

Registrars & Share Transfer Agents (RTA)

M/s. MCS Limited are the Registrars and Share Transfer Agents of the Company for carrying out share registration and other related activities of the Company.

Address for Correspondence

MCS Limited
Sri Venkatesh Bhawan,
W-40, Okhla Industrial Area, Phase - II,
New Delhi - 110 020
Telephone Nos. : 41406149-52, 41609386
Facsimile No. : 41709881

Shareholders holding shares in the electronic form should address their correspondence, except those relating to dividend, to their respective Depository Participants.

Compliance Officer

Mrs. Janaki Aggarwal, Company Secretary, is the Compliance Officer under Clause 47 of the Listing Agreement with Stock Exchanges.

Share Transfer Committee

The Share Transfer Committee of the Company generally meets fortnightly for approving share transfers. The processing activities with respect to requests received for share transfer are completed within 20 days from the date of receipt of request.

There are no pending share transfers as on 31st March, 2008.

The Share Transfer Committee comprises the following :

| | |
|---|--------|
| Mr. Atul Kumar Chief Financial Officer | Member |
| Mrs. Janaki Aggarwal Company Secretary | Member |
| Mr. Asish Bhattacharjee General Manager, Finance | Member |

Dematerialisation of Shares and Liquidity

The Shares of the Company are required to be compulsorily traded in dematerialised form and are available for trading under both the Depository Systems in India - NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's Equity Shares under the Depository System is INE 262B01016. The annual custody fee for the financial year 2008-09 has been paid to NSDL and CDSL, the Depositories.

As on 31st March, 2008, 72,04,551 Shares of the Company constituting 90.12% of the subscribed and paid-up Share Capital stand dematerialised. The processing activities with respect to the requests received for dematerialisation are completed within 15 days.

Shareholder / Investor Complaints

The Company received 3 share related complaints during the financial year ended 31st March, 2008, which translate to 0.0251% of the total number of Shareholders of the Company. The said complaints have been resolved.

The Company attended to Shareholder / Investor complaints and other correspondence generally within a period of 15 days except where constrained by disputes or legal impediments. There are some pending cases relating to disputes over title to Shares in which the Company has been made a party. These cases however are not material in nature.

| Nature of Complaint | Nos. | % |
|----------------------------|------|------|
| Loss of Share Certificates | 3 | 0.03 |

The e-mail ID earmarked for investor complaints :
investor_TH@ith.co.in

International Travel House Limited

SHAREHOLDER INFORMATION

Distribution of Shareholding as on 31st March, 2008

| No. of Shares Slab | No. of Shareholders | | No. of Equity Shares | |
|--------------------|---------------------|-------------------|----------------------|--------------------|
| | Total | % to Shareholders | Total | % to Share Capital |
| 1- 500 | 11,386 | 94.75 | 11,76,603 | 14.72 |
| 501- 1000 | 331 | 2.75 | 2,60,943 | 3.26 |
| 1001- 2000 | 155 | 1.29 | 2,21,779 | 2.77 |
| 2001- 3000 | 53 | 0.44 | 1,33,841 | 1.67 |
| 3001- 4000 | 20 | 0.17 | 74,281 | 0.93 |
| 4001- 5000 | 20 | 0.17 | 94,976 | 1.19 |
| 5001- 10000 | 21 | 0.17 | 1,51,141 | 1.89 |
| 10001- 50000 | 22 | 0.18 | 5,28,320 | 6.61 |
| 50001- 100000 | 5 | 0.04 | 3,39,070 | 4.24 |
| 100001 & above | 4 | 0.04 | 50,13,546 | 62.72 |
| Total | 12,017 | 100.00 | 79,94,500 | 100.00 |

Categories of Shareholders as on 31st March, 2008

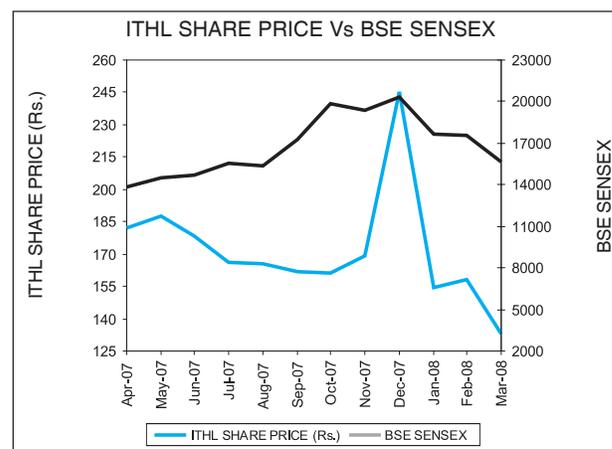
| Sl. No. | Category | No. of Shares held | % to Share holding |
|----------|---------------------------------|--------------------|--------------------|
| A | Promoters Holding | | |
| 1 | Indian Promoters | | |
| | IITC Limited | 2,87,600 | 3.60 |
| | Russell Credit Limited | 36,26,638 | 45.36 |
| 2 | Persons acting in Concert | | |
| | Russell Investments Limited | 10,17,663 | 12.73 |
| | Sub Total | 49,31,901 | 61.69 |
| B | Non Promoter Holding | | |
| 3 | Institutional Investors | | |
| a | Mutual Funds and UTI | Nil | Nil |
| b | Banks | 300 | 0.01 |
| c | Foreign Institutional Investors | 200 | 0.00 |
| | Sub Total | 500 | 0.01 |
| 4 | Others | | |
| a | Private Corporate Bodies | 6,00,603 | 7.51 |
| b | Indian Public | 22,94,531 | 28.70 |
| c | NRI's / OCBs | 1,58,865 | 1.99 |
| d | Any Other | 8,100 | 0.10 |
| | Sub Total | 30,62,099 | 38.30 |
| | Grand Total | 79,94,500 | 100.00 |

Monthly High and Low quotes and Volume of Shares traded on Bombay Stock Exchange (BSE)

| Bombay Stock Exchange | | | | | |
|-----------------------|-----------|------------|-----------|---------------|----------|
| Year | Month | High (Rs.) | Low (Rs.) | Volume (Nos.) | |
| 2007 | April | 193.95 | 136.15 | 2,47,972 | |
| | May | 199.00 | 164.00 | 1,97,055 | |
| | June | 191.60 | 156.00 | 86,818 | |
| | July | 201.00 | 160.00 | 1,14,171 | |
| | August | 176.90 | 136.00 | 2,02,047 | |
| | September | 179.00 | 160.05 | 3,81,222 | |
| | October | 174.80 | 151.00 | 4,36,440 | |
| | November | 181.95 | 150.00 | 3,28,962 | |
| | December | 261.90 | 166.10 | 11,93,052 | |
| | 2008 | January | 250.00 | 144.50 | 2,53,272 |
| | | February | 188.50 | 138.00 | 1,49,348 |
| | | March | 165.00 | 116.65 | 6,11,449 |

Note – There was no trading in the Company's Shares on the Delhi Stock Exchange during the last financial year.

Performance in comparison to broad based indices such as BSE Sensex



Note – Indicates monthly closing positions.

Listing of Shares on Stock Exchanges (with Stock Code)

The Delhi Stock Exchange Association Limited (109092)
'DSE House' 3/1, Asaf Ali Road, New Delhi-110 002

Bombay Stock Exchange Limited (500213)

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001

The Listing Fee for the financial year 2008-2009 has been paid to the Stock Exchanges.

International Travel House Limited

SHAREHOLDER INFORMATION

Financial Calendar

| Financial Year 2008-2009 | | |
|--------------------------|--------------------------------------|--------------|
| 1 | First Quarter Results | July 2008 |
| 2 | Second Quarter and Half-Year Results | October 2008 |
| 3 | Third Quarter Results | January 2009 |
| 4 | Fourth Quarter and Annual Results | May 2009 |

Particulars of past three AGMs

| AGM | Financial Year | Venue | Date | Time | Special Resolution(s) Passed |
|------|----------------|--|----------|-----------|--|
| 26th | 2006-07 | Air Force Auditorium Subroto Park New Delhi Pin - 110 010 | 18-09-07 | 9.30 a.m. | |
| 25th | 2005-06 | | 28-09-06 | 9.30 a.m. | <ul style="list-style-type: none"> Alteration of Articles of Association Extension of term of Mr. Anil Bhandari as Managing Director |
| 24th | 2004-05 | | 12-09-05 | 3.30 p.m. | |

Postal Ballot

No special resolution requiring a postal ballot was proposed last year. No special resolution requiring a postal ballot is being proposed for the ensuing AGM.

SHAREHOLDER REFERENCER

Unclaimed Dividend

Unclaimed dividend for the years prior to and including the financial year 2000-2001 (Interim) has been transferred to the General Revenue Account of the Central Government / the Investor Education and Protection Fund established by the Central Government (IEPF), as applicable.

Shareholders who have not encashed their dividend warrant(s) relating to the financial year(s) upto and including 1994-1995 may claim such dividend (transferred to the General Revenue Account) from the Registrar of Companies, NCT of Delhi and Haryana, B-Block, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi - 110 003, in the prescribed form, which can be furnished by the Company on request.

The dividend for the undernoted years remaining unclaimed for 7 years will be transferred by the Company in accordance with the schedule given below, to the IEPF. Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

| Financial Year | Date of Declaration/ Payment of Dividend | Due for Transfer to IEPF on |
|----------------------|---|--------------------------------|
| 2000-2001 (Final) | 17th September, 2001 | 23rd October, 2008* |
| 2001-2002 | 24th July, 2002 | 29th August, 2009 |
| 2002-2003 | 18th July, 2003 | 23rd August, 2010 |
| 2003-2004 | 23rd July, 2004 | 28th August, 2011 |
| 2004-2005 | 12th September, 2005 | 18th October, 2012 |
| 2005-2006 | 28th September, 2006 | 3rd November, 2013 |
| 2006-2007 | 18th September, 2007 | 24th October, 2014 |

* It will not be possible to entertain claims received by the Company after 22nd October, 2008.

Shareholders who have not so far encashed their dividend warrant(s) or have not received the same are requested to seek issue of duplicate warrant(s) by writing to the Company confirming non-encashment / non-receipt of dividend warrant(s).

International Travel House Limited

SHAREHOLDER INFORMATION

Depository Services

Shareholders may write to our RTA or to their respective Depositories for guidance on depository services.

Address for Correspondence with Depository

National Securities Depository Limited
Trade World, A Wing, 4th floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel, Mumbai 400 013
Telephone : 022-24994200
Facsimile : 022-24972993 / 24976351
E-mail : info@nsdl.co.in
Website : www.nsdl.co.in

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers
17th floor, Dalal Street, Mumbai 400 001
Telephone : 022-22723333
Facsimile : 022-22723199 / 22722072
E-mail : investors@cdslindia.com
Website : www.cdslindia.com

Electronic Clearing Service (ECS) Facility

The Company, with respect to payment of dividend, provides the facility of ECS to the Shareholders. Shareholders holding shares in the certificate form, who wish to avail the ECS facility, may authorise the Company by sending their ECS mandate in the prescribed form in case the same has not been furnished earlier.

Nomination Facility

Shareholders who hold shares in the certificate form & wish to make / change nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the RTA the prescribed Form 2B for this purpose.

International Travel House Limited

REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2008

Your Directors submit their Report for the financial year ended 31st March, 2008.

Financial Performance

Your Company recorded an income of Rs.78.84 crores (previous year Rs.73.90 crores) representing a growth of 7%. Profit Before Tax at Rs.17.09 crores depicted an increase of 5% while Profit After Tax and prior period adjustment at Rs.10.54 crores registered a growth of 5%. Your Company earned Rs.12.27 crores in foreign exchange and utilised foreign exchange of Rs.0.19 crores. Details of foreign exchange earnings and outgo are provided in Schedule 19 to the Accounts. Your Directors are pleased to recommend a dividend of Rs.3/- (previous year Rs.3/-) per Equity Share of Rs.10/- each for the year ended 31st March, 2008. The cash outflow in this regard will be Rs.2.81 crores (previous year Rs.2.81 crores) including Dividend Distribution Tax of Rs.0.41 crores (previous year Rs.0.41 crores). Your Board further recommends a transfer to the General Reserve of Rs.1.05 crores (previous year Rs.1.00 crore).

Business Operations

Whilst foreign arrivals into India during the calendar year 2007 showed a positive trend and touched 5 million as against 4.45 million in the previous year, this trend was somewhat dampened towards the last quarter of the financial year because of the ongoing recession in the United States economy and its impact on countries whose economies are closely linked to that of the USA.

Outbound departures by Indian nationals nudged 10 million (a growth of over 15%). Inflationary pressures are, however, mounting and it is feared that this could inhibit growth in this segment. Nevertheless, your Company is fast gearing up to become a significant player in the outbound market and has already entered into arrangements with many overseas service providers.

The proliferation of domestic airlines and the growth of low cost carriers led to heightened competition, resulting in the commissionable element of the fares being lowered. In this scenario, travel management companies like yours will need to diversify into other travel related services and also reduce transaction costs through innovative measures. Your Company is actively seized of this matter and is constantly reviewing its product / services portfolio.

During the year under review, your Company received top awards from premier airlines like Air India, British Airways, KLM, Lufthansa, Malaysian Airlines, Cathay Pacific, Kingfisher and Jet Airlines for outstanding performance.

To capture emerging opportunities, new branch offices were commissioned at Chandigarh in September 2007 and at Noida in March 2008. Additional offices in currently unrepresented areas are under consideration.

Your Company's Car Rental business continued to contribute significantly to its turnover and profitability. Upgradation and expansion of the fleet continued apace taking the fleet strength to approximately 600 cars with most of the new additions being in the high-end and luxury categories.

During the year under review, your Company handled prestigious MICE events like Mobility Expo, World Congress on Urban Infrastructure in Developing Countries, Defexpo, Light India International, Auto Expo, Air Power etc.

India is likely to see a marginally lower rate of GDP growth than over the past few years. During the last quarter of 2007-08, inflationary pressures were felt by the economy and these have continued well into the first quarter of 2008-09. Inflation was fuelled in particular by the unprecedented rise of global petroleum prices. The profitability of Corporate India fell during the last quarter of 2007-08 and the first quarter of 2008-09. Your Company's business, being

International Travel House Limited

REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2008

heavily dependent upon the Indian corporate sector, felt the consequent impact during the last quarter of 2007-08 and a further slowdown is likely in the first half of 2008-09.

Awards & Recognition

During the course of the year, your Company received the following awards :

- National Tourism Award – Tourist Transport Operator 2006-07 from the Ministry of Tourism, Government of India.
- Golden Peacock Award for Excellence in Corporate Governance, 2007 from the Institute of Directors and World Council for Corporate Governance.
- Golden Peacock Innovative Product / Service Award, 2007 from the Institute of Directors.
- Best Travel Agency - India, 2007 from TTG Asia for the third year running.
- Best Car Rental Company in India, 2007 from Hospitality India & Explore the World.

Travel House continues to be the only ISO 9001 certified travel company in India and its certification has been revalidated for the second time until January, 2009.

Human Resource Development

Your Directors sincerely appreciate the valuable inputs of all the team members and wish to continue to lay great emphasis on the manpower resource development function through improved training and motivational inputs.

Directors

Mr. Anil Bhandari completed his tenure as Managing Director of the Company on 16th February, 2008 and also ceased to be a Director on that date. Your

Directors would like to place on record their sincere appreciation of the services rendered by Mr. Bhandari during his tenure.

The Board at its meeting held on 24th January, 2008 appointed Mr. Jehangir J. Ghadiali as Additional Director and subject to your approval, as the Managing Director with effect from 17th February, 2008. Appropriate resolutions seeking your approval to his appointment as a Director liable to retire by rotation and as the Managing Director are appearing in the Notice convening the 27th Annual General Meeting of the Company.

In accordance with the provisions of Article 143 of the Articles of Association of the Company, Mr. O. P. Vaish and Mr. H. P. Ranina will retire by rotation at the ensuing Annual General Meeting of your Company and, being eligible, offer themselves for re-appointment. Your Board of Directors has recommended their re-appointment.

Auditors

The Auditors, Messrs. S. R. Batliboi & Associates, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Other Information

Particulars of employees required to be disclosed in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 and the certificate of the Auditors, Messrs. S. R. Batliboi & Associates confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are annexed to the Report.

The Audit Committee of the Company reviewed the financial statements for the year under review at its meeting held on 6th May, 2008 and recommended the same for the approval of the Board of Directors.

International Travel House Limited

REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2008

Directors' Responsibility Statement

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm having :

- (i) followed in the preparation of the Annual Accounts, the applicable Accounting Standards alongwith proper explanation relating to material departures if any;
- (ii) selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) 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
- (iv) prepared the Annual Accounts on a going concern basis.

Future Prospects

Some of the ongoing investments in tourism infrastructure within the country and following

changes in government policy are expected to bear fruit in coming years by not only encouraging more tourist arrivals but also by positively impacting visitor spend :

Visa on arrival :The proposal to grant visa on arrival to tourists from 18 countries should have a very positive impact on arrivals from these countries.

Privatisation and Modernisation of Airports : Civil Aviation Ministry will upgrade / build major existing airports through Public and Private Participation (PPP) route. A comprehensive plan for 35 non-metro airports is also under preparation.

National Highways : The National Highway Development Programme with an investment of Rs.2,20,000 crores upto 2012 has been established. Better road connectivity will open up many new tourist destinations and also provide greater opportunities for our car rental business.

On behalf of the Board

Place : New Delhi

Jehangir J. Ghadiali S.C. Sekhar

Dated : 7th May, 2008

Managing Director Director

International Travel House Limited

ANNEXURE TO THE REPORT OF THE DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2008

Particulars of Employees under Section 217(2A) of the Companies Act, 1956 and forming part of the Report of the Directors

| Name | Age | Designation / Nature of Duties | Gross Remuneration (Rs.) | Qualifications | Experience (Years) | Date of Commencement of Employment | Previous Employment / Position held |
|--|-----|--------------------------------------|--------------------------|--|--------------------|------------------------------------|--|
| Employed throughout the year and in receipt of remuneration aggregating Rs. 24,00,000/- or more per annum. | | | | | | | |
| None | | | | | | | |
| Employed for a part of the year and in receipt of remuneration aggregating Rs. 2,00,000/- or more per month. | | | | | | | |
| Anil Bhandari | 60 | Managing Director | 36,53,567/- | Dip. in Hotel Management, Catering and Nutrition, C.H.A. (U.S.A.), MHCIMA (U.K.) | 39 | 01.12.1998 | ITC Limited Advisor - Travel & Tourism |
| Jehangir J. Ghadiali | 51 | Managing Director | 3,19,735/- | Dip. in Hotel Management, Applied Nutrition & Catering Technology from IHMCTAN | 28 | 17.02.2008 | ITC Limited General Manager - Park Sheraton & Towers |
| Arvind Sinha | 51 | Vice President (Car Rental Division) | 6,53,322/- | Dip. in Marketing & Personnel from IIPM | 26 | 26.04.2006 | Hertz-Carzonrent India Pvt. Ltd. Vice President & Head of Sales and Operations |

Notes:

- Gross remuneration comprises salary, allowances, bonus, cost / value of perquisites, Company's contribution to provident, pension and gratuity fund. It also includes performance bonus, leave encashment and notice pay, where applicable.
- All appointments are / were contractual.
- None of the above employees is a relative of any Director of the Company.

On behalf of the Board

Place : New Delhi

Dated : 7th May, 2008

Jehangir J. Ghadiali
Managing Director

S.C. Sekhar
Director

International Travel House Limited

ANNEXURE TO THE REPORT OF THE DIRECTORS

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES IN INDIA

CERTIFICATE

To the Members of International Travel House Limited

We have examined the compliance of conditions of Corporate Governance by International Travel House Limited for the year ended on 31st March 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned 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.

S.R. Batliboi & Associates
Chartered Accountants

per Pankaj Chadha
Partner
Membership No. 91813

Place : Gurgaon
Date : 7th May, 2008

International Travel House Limited

CEO AND CFO CERTIFICATION

UNDER CLAUSE 49 (V) OF THE LISTING AGREEMENT

We, Jehangir J. Ghadiali, Managing Director and Atul Kumar, Chief Financial Officer, responsible for the finance function certify that :

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2008 and to 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, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2008 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year except as laid down in Accounting Standard (AS) 15 (revised 2005) on Employee Benefits, requiring disclosure in the notes to the financial statements; and
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

New Delhi
7th May, 2008

Jehangir J. Ghadiali
Managing Director

Atul Kumar
Chief Financial Officer

International Travel House Limited

BALANCE SHEET

AS AT 31st MARCH, 2008

| | Schedule | As at 31st March, 2008 | | As at 31st March, 2007 | |
|---|----------|------------------------|----------------------------|------------------------|----------------------------|
| | | Rupees | Rupees | Rupees | Rupees |
| I. SOURCES OF FUNDS | | | | | |
| 1. Shareholders' Funds | | | | | |
| a) Capital | 1 | 7,99,45,000 | | 7,99,45,000 | |
| b) Reserves and Surplus | 2 | <u>53,64,85,131</u> | <u>61,64,30,131</u> | <u>45,91,27,544</u> | <u>53,90,72,544</u> |
| 2. Loan Funds | | | | | |
| Secured Loans | 3 | | <u>9,15,06,633</u> | | <u>15,21,75,901</u> |
| 3. Deferred Tax Liabilities (Net) | 4 | | <u>1,08,81,438</u> | | <u>2,19,46,549</u> |
| TOTAL | | | <u>71,88,18,202</u> | | <u>71,31,94,994</u> |
| II. APPLICATION OF FUNDS | | | | | |
| 1. Fixed Assets | | | | | |
| a) Gross Block | 5 | <u>56,05,09,933</u> | | <u>46,30,83,821</u> | |
| b) Less: Accumulated Depreciation / Amortisation | | <u>25,11,87,430</u> | | <u>20,11,09,110</u> | |
| c) Net Block | | <u>30,93,22,503</u> | | <u>26,19,74,711</u> | |
| d) Capital Work-in-Progress | | <u>1,40,45,394</u> | <u>32,33,67,897</u> | <u>2,99,71,613</u> | <u>29,19,46,324</u> |
| 2. Investments | 6 | | <u>2,50,00,000</u> | | <u>8,59,44,282</u> |
| 3. Current Assets, Loans and Advances | | | | | |
| a) Sundry Debtors | 7 | <u>63,16,02,756</u> | | <u>55,90,46,893</u> | |
| b) Cash and Bank Balances | 8 | <u>8,14,99,799</u> | | <u>9,10,88,232</u> | |
| c) Other Current Assets | 9 | <u>4,29,891</u> | | <u>4,00,244</u> | |
| d) Loans and Advances | 10 | <u>4,63,27,822</u> | | <u>5,57,27,063</u> | |
| | | <u>75,98,60,268</u> | | <u>70,62,62,432</u> | |
| Less: Current Liabilities & Provisions | | | | | |
| a) Current Liabilities | 11 | <u>35,05,75,390</u> | | <u>33,06,75,663</u> | |
| b) Provisions | 12 | <u>3,88,34,573</u> | | <u>4,02,82,381</u> | |
| | | <u>38,94,09,963</u> | | <u>37,09,58,044</u> | |
| Net Current Assets | | | <u>37,04,50,305</u> | | <u>33,53,04,388</u> |
| TOTAL | | | <u>71,88,18,202</u> | | <u>71,31,94,994</u> |
| Significant Accounting Policies and Notes to the Accounts | | | | | |
| | 19 | | | | |

The Schedules referred to above and the Notes to the Accounts form an integral part of the Balance Sheet. This is the Balance Sheet referred to in our Report of even date.

S. R. Batliboi & Associates
Chartered Accountants

On behalf of the Board of Directors

per Pankaj Chadha
Partner
Membership No. 91813

Jehangir J. Ghadiali
Managing Director

S. C. Sekhar
Director

Janaki Aggarwal
Company Secretary

Place : Gurgaon
Date : 7th May, 2008

Place : New Delhi
Date : 7th May, 2008

International Travel House Limited

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH, 2008

| | Schedule | For the year ended 31st March, 2008 | | For the year ended 31st March, 2007 | |
|---|----------|--|----------------------|--|---------------------|
| | | Rupees | Rupees | Rupees | Rupees |
| I. INCOME | | | | | |
| Income from Services Rendered | 13 | | 78,83,76,243 | | 73,90,16,750 |
| Other Income | 14 | | 3,28,54,527 | | 1,76,70,290 |
| | | | 82,12,30,770 | | 75,66,87,040 |
| II. EXPENDITURE | | | | | |
| Employees' Remuneration and Welfare Expenditure | 15 | | 20,90,77,582 | | 17,23,19,035 |
| Operating and Other Expenditure | 16 | | 34,46,33,256 | | 32,96,68,184 |
| Depreciation / Amortisation | 5 | | 8,71,86,208 | | 8,05,16,306 |
| Interest | 17 | | 94,61,753 | | 1,08,79,021 |
| | | | 65,03,58,799 | | 59,33,82,546 |
| III. PROFIT | | | | | |
| Profit Before Tax and Prior Period Adjustment | | | 17,08,71,971 | | 16,33,04,494 |
| Tax Expense / (Income) : | | | | | |
| Current (Includes Rs.84,00,000/- in respect of Earlier Years. Previous Year Rs.15,00,000/-) | | | 6,78,60,000 | 5,76,50,000 | |
| Fringe Benefit | | | 86,60,000 | 82,30,000 | |
| Deferred (Includes Rs.84,00,000/- in respect of Earlier Years. (Previous Year Rs.Nil)) | | | (1,10,65,112) | (41,23,757) | 6,17,56,243 |
| Profit After Taxation and Before Prior Period Adjustment | | | 10,54,17,083 | | 10,15,48,251 |
| Post Retirement Benefit - Medical | | | - | | 13,86,118 |
| Profit After Tax and Prior Period Adjustment | | | 10,54,17,083 | | 10,01,62,133 |
| Profit Brought Forward | | | 29,11,93,872 | | 22,91,11,235 |
| Available for Appropriation | | | 39,66,10,955 | | 32,92,73,368 |
| IV. APPROPRIATION | | | | | |
| General Reserve | | | 1,05,42,000 | | 1,00,20,000 |
| Proposed Dividend | | | 2,39,83,500 | | 2,39,83,500 |
| Tax on Proposed Dividend | | | 40,75,996 | | 40,75,996 |
| Profit Carried Forward | | | 35,80,09,459 | | 29,11,93,872 |
| | | | 39,66,10,955 | | 32,92,73,368 |
| Basic and Diluted Earnings Per Share Before Prior Period Adjustment (Rs.) | 18 | | 13.19 | | 12.70 |
| Basic and Diluted Earnings Per Share After Prior Period Adjustment (Rs.) | 18 | | 13.19 | | 12.53 |
| Significant Accounting Policies and Notes to the Accounts | 19 | | | | |

The Schedules referred to above and the Notes to the Accounts form an integral part of the Profit & Loss Account. This is the Profit and Loss Account referred to in our Report of even date.

S. R. Batliboi & Associates
Chartered Accountants

On behalf of the Board of Directors

per Pankaj Chadha
Partner
Membership No. 91813

Jehangir J. Ghadiali
Managing Director

S. C. Sekhar
Director

Janaki Aggarwal
Company Secretary

Place : Gurgaon
Date : 7th May, 2008

Place : New Delhi
Date : 7th May, 2008

International Travel House Limited

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2008

| | For the year ended 31st March, 2008 Rupees | For the year ended 31st March, 2007 Rupees |
|--|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit Before Tax and Extraordinary Items | 17,08,71,971 | 16,33,04,494 |
| Adjustments for : | | |
| Depreciation | 8,71,86,208 | 8,05,16,306 |
| Profit on Sale of Fixed Assets (Net) | (61,29,740) | (25,74,950) |
| Provision for Doubtful Debts | 17,11,604 | 18,83,427 |
| Interest Expenses | 94,61,753 | 1,08,79,021 |
| Loss on Sale of Short Term Investments | 1,18,621 | 1,15,835 |
| Profit on Sale of Long Term Investments | (13,98,456) | (2,04,171) |
| Interest Income | (53,66,828) | (1,74,288) |
| Income from Investments - Dividends | (37,92,143) | (45,59,250) |
| Liabilities no longer required Written Back | (1,32,49,968) | (53,03,638) |
| Unrealised Foreign Exchange Gain / Loss | (7,41,068) | (1,950) |
| Provision for Wealth Tax | 89,000 | 85,000 |
| Provision for Gratuity, Leave Encashment and Medical | 1,02,87,089 | 82,68,931 |
| Operating Profit Before Working Capital Changes | 24,90,48,043 | 25,22,34,767 |
| Adjustments for : | | |
| Increase in Sundry Debtors | (7,42,67,467) | (11,90,45,703) |
| Increase / (Decrease) in Other Receivables | 8,68,076 | (26,70,734) |
| Increase in Trade and Other Payables | 31,54,728 | 3,83,37,472 |
| Cash Generated from Operations | 17,88,03,380 | 16,88,55,802 |
| Direct Taxes Paid : | | |
| Advance Income Tax | (5,82,97,316) | (4,67,23,217) |
| Fringe Benefit Tax | (1,10,50,000) | (1,08,21,878) |
| Wealth Tax | (84,830) | (74,865) |
| Net Cash Flow from Operating Activities (A) | 10,93,71,234 | 11,12,35,842 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase / Adjustments of Fixed Assets | (12,41,03,754) | (10,95,08,987) |
| Sale / Adjustments of Fixed Assets | 1,16,25,713 | 1,13,49,356 |
| Purchase of Investments | (2,50,00,000) | (63,27,20,629) |
| Sale of Investments | 8,72,24,117 | 68,69,90,932 |
| Interest Received | 53,37,181 | 1,11,439 |
| Dividend Received | 37,92,143 | 45,59,250 |
| Net Cash Used in Investing Activities (B) | (4,11,24,600) | (3,92,18,639) |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Proceeds from Vehicle Loans | 1,61,52,860 | 7,63,78,079 |
| Repayment of Vehicle Loans | (7,68,22,127) | (6,80,83,560) |
| Dividend Paid including Tax thereon | (2,78,53,691) | (2,25,01,909) |
| Interest Paid | (94,61,753) | (1,08,79,021) |
| Net Cash used in Financing Activities (C) | (9,79,84,711) | (2,50,86,411) |

International Travel House Limited

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2008

| | For the year ended 31st March, 2008 Rupees | For the year ended 31st March, 2007 Rupees |
|---|--|--|
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | (2,97,38,077) | 4,69,30,792 |
| Add : Opening Cash and Cash Equivalents | 8,25,46,658 | 3,56,13,916 |
| Closing Cash and Cash Equivalents | 5,28,08,580 | 8,25,44,708 |
| Cash and Cash Equivalents include : | | |
| Cash and Bank Balances | 8,03,68,259 | 8,99,54,617 |
| Book Overdraft | (2,79,50,151) | (85,41,574) |
| Fixed Deposit Receipts with Bank | 11,31,540 | 11,33,615 |
| Total Cash and Cash Equivalents | 5,35,49,648 | 8,25,46,658 |
| Unrealised Gain on Foreign Currency Cash and Cash Equivalents | (7,41,068) | (1,950) |
| Net Cash and Cash Equivalents | 5,28,08,580 | 8,25,44,708 |

NOTES :

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.
- Figures in brackets include cash outgo.
- Cash and Cash Equivalents include Rs.11,31,540/- (Previous Year Rs.11,33,615/-) which are not available for use by the Company.
- Previous Year's figures have been regrouped wherever necessary to conform to the current year's classification.
- This is the Cash Flow Statement referred to in our report of even date.

S. R. Batliboi & Associates
Chartered Accountants

On behalf of the Board of Directors

per Pankaj Chadha
Partner
Membership No. 91813

Jehangir J. Ghadiali
Managing Director

S. C. Sekhar
Director

Janaki Aggarwal
Company Secretary

Place : Gurgaon
Date : 7th May, 2008

Place : New Delhi
Date : 7th May, 2008

SCHEDULES TO THE ACCOUNTS

| | As at 31st March, 2008 Rupees | As at 31st March, 2007 Rupees |
|--|----------------------------------|----------------------------------|
| SCHEDULE I | | |
| CAPITAL | | |
| Authorised | | |
| 1,00,00,000 (Previous Year 1,00,00,000) | | |
| Equity Shares of Rs.10/- each | 10,00,00,000 | 10,00,00,000 |
| 2,00,00,000 (Previous Year 2,00,00,000) Redeemable | | |
| Cumulative Preference Shares of Rs.100/- each | 2,00,00,000 | 2,00,00,000 |
| | <u>12,00,00,000</u> | <u>12,00,00,000</u> |
| Issued | | |
| 80,00,000 (Previous Year 80,00,000) | | |
| Equity Shares of Rs.10/- each | 8,00,00,000 | 8,00,00,000 |
| Subscribed and Paid Up | | |
| 79,94,500 (Previous Year 79,94,500) | | |
| Equity Shares of Rs.10/- each fully Paid Up | 7,99,45,000 | 7,99,45,000 |
| | <u>7,99,45,000</u> | <u>7,99,45,000</u> |

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

| | As at 31st March, 2008 Rupees | As at 31st March, 2007 Rupees |
|--|-------------------------------------|-------------------------------------|
| SCHEDULE 2 | | |
| RESERVES AND SURPLUS | | |
| Capital Reserve | 31,52,525 | 31,52,525 |
| General Reserve | | |
| As per last Balance Sheet | 4,62,21,917 | 3,62,01,917 |
| Add :Transfer from Profit and Loss Account | <u>1,05,42,000</u> | <u>1,00,20,000</u> |
| Securities Premium Account | 11,85,59,230 | 11,85,59,230 |
| Profit and Loss Account | <u>35,80,09,459</u> | <u>29,11,93,872</u> |
| | <u>53,64,85,131</u> | <u>45,91,27,544</u> |
| SCHEDULE 3 | | |
| SECURED LOANS | | |
| From Banks | | |
| Vehicle Loans* | 7,48,82,252 | 11,12,69,218 |
| (Secured by hypothecation over vehicles except for Rs.1,00,05,000/-(Previous Year Rs.1,47,95,750/-), which is secured against advance given for vehicles costing Rs.1,00,09,605/-(Previous Year Rs.1,54,35,000/-) yet to be received as at the year end) | | |
| From Others | | |
| Vehicle Loans* | 1,66,24,381 | 4,09,06,683 |
| (Secured by hypothecation over vehicles) | | |
| | <u>9,15,06,633</u> | <u>15,21,75,901</u> |
| * Loan Repayable within one year Rs.5,32,84,468/- (Previous Year Rs.7,62,82,820/-) | | |
| SCHEDULE 4 | | |
| DEFERRED TAX LIABILITIES | | |
| Depreciation | 2,19,60,616 | 3,28,66,393 |
| | <u>2,19,60,616</u> | <u>3,28,66,393</u> |
| Less: Deferred Tax Assets | | |
| Provision for Doubtful Debts | 48,25,480 | 46,86,814 |
| Provision for Leave Encashment | 27,40,961 | 21,43,455 |
| Provision for Gratuity | 3,10,505 | 9,98,802 |
| Provision for Bonus | 26,25,683 | 25,73,235 |
| Others | <u>5,76,549</u> | <u>5,17,538</u> |
| Net Deferred Tax Liabilities | <u>1,08,81,438</u> | <u>2,19,46,549</u> |

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

| (Rupees) | | | | | | | | | | | |
|---|---------------------|--------------|-----------------------------|---------------------------|--------------------|-----------------|-------------------------------------|--------------------|---------------------|---------------------|---------------------|
| FIXED ASSETS - AT COST | | | | | | | | | | | |
| Particulars | GROSS BLOCK | | | DEPRECIATION/AMORTISATION | | | | NET BLOCK | | | |
| | As at 01.04.2007 | Additions | Withdrawals/ Adjustments | As at 31.03.2008 | Upto 01.04.2007 | For the Year | On With- drawals/ Adjustments | Upto 31.03.2008 | As at 31.03.2008 | As at 31.03.2007 | As at 31.03.2007 |
| Tangible Assets | | | | | | | | | | | |
| Building | 2,83,45,370 | - | - | 2,83,45,370 | 39,65,472 | 4,62,030 | - | 44,27,502 | 2,39,17,868 | 2,43,79,898 | 2,43,79,898 |
| Air Conditioners | 70,40,424 | 17,11,569 | 4,51,070 | 83,00,923 | 24,26,518 | 3,75,555 | 2,72,561 | 25,29,512 | 57,71,411 | 46,13,906 | 46,13,906 |
| Furniture and Fixtures | 1,45,47,221 | 27,05,234 | 69,681 | 1,71,82,774 | 70,21,138 | 12,52,911 | 66,377 | 82,07,672 | 89,75,102 | 75,26,083 | 75,26,083 |
| Office Equipments | 1,35,53,532 | 33,91,719 | 57,105 | 1,68,88,146 | 44,00,591 | 7,32,525 | 24,326 | 51,08,790 | 1,17,79,356 | 91,52,941 | 91,52,941 |
| Vehicles - Commercial | 31,06,61,262 | 11,53,38,894 | 3,84,31,039 | 38,75,69,117 | 13,67,90,866 | 6,73,82,268 | 3,33,34,796 | 17,08,38,338 | 21,67,30,779 | 17,38,70,396 | 17,38,70,396 |
| Vehicles - Non Commercial | 1,55,17,881 | 25,23,634 | 14,33,041 | 1,66,08,474 | 73,62,858 | 29,45,599 | 12,98,976 | 90,09,481 | 75,98,993 | 81,55,023 | 81,55,023 |
| Computers | 4,66,31,858 | 42,46,304 | 15,42,085 | 4,93,36,077 | 2,80,05,191 | 53,17,189 | 14,91,012 | 3,18,31,368 | 1,75,04,709 | 1,86,26,667 | 1,86,26,667 |
| Improvements to Rented / Leased Premises | 1,69,92,016 | 83,25,123 | 6,19,840 | 2,46,97,299 | 71,63,450 | 66,13,203 | 6,19,840 | 1,31,56,813 | 1,15,40,486 | 98,28,566 | 98,28,566 |
| Intangible Assets | | | | | | | | | | | |
| Computer - Software | 97,94,257 | 17,87,496 | - | 1,15,81,753 | 39,73,026 | 21,04,928 | - | 60,77,954 | 55,03,799 | 58,21,231 | 58,21,231 |
| Capital Work-in-Progress | | | | | | | | | | | |
| (Capital Advances of Rs. 1,40,45,394/- Previous Year Rs. 2,99,71,613/-) | 46,30,83,821 | 14,00,29,973 | 4,26,03,861 | 56,05,09,933 | 20,11,09,110 | 8,71,86,208 | 3,71,07,888 | 25,11,87,430 | 30,93,22,503 | 26,19,74,711 | 26,19,74,711 |
| TOTAL | 49,30,55,434 | 15,24,52,478 | 7,09,52,585 | 57,45,55,327 | 20,11,09,110 | 8,71,86,208 | 3,71,07,888 | 25,11,87,430 | 323,367,897 | 29,19,46,324 | 29,19,46,324 |
| Previous Year | 42,47,37,083 | 11,16,45,019 | 4,33,26,668 | 49,30,55,434 | 15,30,09,033 | 8,05,16,306 | 3,24,16,229 | 20,11,09,110 | 29,19,46,324 | | |

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

| | As at 31st March, 2008 Rupees | As at 31st March, 2007 Rupees | | |
|--|-------------------------------------|-------------------------------------|-----------------|--------------|
| SCHEDULE 6 | | | | |
| INVESTMENTS | | | | |
| Unquoted - Long Term Investments - Non Trade | | | | |
| A. INVESTMENTS IN MUTUAL FUNDS | | | | |
| HDFC Mutual Fund | | | | |
| HDFC Cash Management Fund - Saving Plan - Growth | | | | |
| Nil (Previous Year 10,16,763.033) Units of Rs.14.752 each | - | 1,50,00,000 | | |
| Reliance Mutual Fund | | | | |
| Reliance Fixed Horizon Fund IV - Annual Plan - Series I - Institutional Growth Plan | | | | |
| 25,00,000 (Previous Year Nil) Units of Rs.10.000 each | 2,50,00,000 | - | | |
| B. OTHER INVESTMENTS | | | | |
| Trans Global Impex Limited | | | | |
| 58,800 (Previous Year 58,800) Equity Shares of Rs.10/- each fully paid | 5,88,000 | 5,88,000 | | |
| Unquoted - Current Investments - Non Trade | | | | |
| Franklin Tempelton Mutual Fund | | | | |
| Templeton India Treasury Management Account Institutional - Daily Dividend - Reinvestment Plan | | | | |
| Nil (Previous Year 50,080.332) Units of Rs.1,000.250 each | - | 5,00,92,852 | | |
| Templeton India Short Term Income Plan - Weekly Dividend - Reinvestment Plan | | | | |
| Nil (Previous Year 19,056.348) Units of Rs.1,094.198 each | - | 2,08,51,430 | | |
| | 2,55,88,000 | 8,65,32,282 | | |
| Less : Provision for Diminution in Value of Equity Shares | 5,88,000 | 5,88,000 | | |
| Aggregate Amount of Unquoted Investments | 2,50,00,000 | 8,59,44,282 | | |
| Repurchase Price of Mutual Fund Units, represented by Net Asset Value | 2,50,00,000 | 8,59,44,282 | | |
| During the year the following Current Investments were Purchased and Sold : | | | | |
| | No. of Units | Cost | No. of Units | Cost |
| 1. DSP Merrill Lynch - Daily Dividend | - | - | 25,028.082 | 2,50,33,088 |
| 2. DSP Merrill Lynch Liquid Plus - Daily Dividend | - | - | 25,043.923 | 2,50,48,932 |
| 3. Templeton Treasury Management Plan - Regular Dividend | - | - | 33,243.452 | 5,02,70,865 |
| 4. Sundaram BNP Paribas Fixed Term Plan Services-VI June '06 (100 Days) - Dividend | - | - | 10,16,220.709 | 1,01,62,210 |
| 5. ICICI Institutional Short Term Plan - Dividend Reinvestment Fortnightly | - | - | 18,49,422.037 | 2,03,60,666 |
| 6. ICICI Liquid Plan Institutional Plus - Daily Dividend Option | - | - | 25,38,225.110 | 3,00,81,775 |
| 7. Kotak Liquid Institutional - Daily Dividend | - | - | 96,34,040.455 | 11,78,06,010 |
| 8. JM Fixed Maturity Fund Series - III Quarterly Plan FMF Q2 Dividend Plan -163 Days | - | - | 15,45,786.946 | 1,54,57,869 |
| 9. SBI Debt Fund Series - 180 Days - Dividend Reinvestment | - | - | 15,00,000.000 | 1,50,00,000 |
| 10. Principal Cash Management Fund - Liquid - Daily Dividend Reinvestment | - | - | 1,55,44,745.375 | 15,53,89,336 |

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

| | As at 31st March, 2008 Rupees | | As at 31st March, 2007 Rupees | |
|--|-------------------------------------|-------------|-------------------------------------|-------------|
| | No. of Units | Cost | No. of Units | Cost |
| 11. Sundaram BNP Paribas Money Fund Institutional - Daily Dividend Reinvestment | - | - | 39,62,239.854 | 4,00,33,135 |
| 12. HDFC Cash Management Fund - Call Plan - Daily Dividend Reinvestment | - | - | 28,80,569.246 | 3,00,34,543 |
| 13. HDFC Liquid Fund - Daily Dividend | 59,10,896.431 | 6,02,80,504 | - | - |
| 14. Templeton Treasury Management Account Institutional Plan - Daily Dividend | 20,206.729 | 2,02,11,781 | - | - |
| 15. HDFC FMP 90 Days - Wholesale Plan Dividend - Pay Out | 35,00,000.000 | 3,50,00,000 | - | - |
| 16. Sundaram BNP Paribas Liquid Plus Super Institutional Dividend Reinvestment - Daily | 70,72,352.603 | 7,07,94,401 | - | - |
| 17. Principal Floating Rate FPM - Dividend Reinvestment Daily | 85,71,302.730 | 8,57,19,849 | - | - |
| 18. Templeton Quarterly Interval Plan - Plan B Institutional - Dividend Payout | 29,96,913.179 | 3,00,00,000 | - | - |
| 19. Templeton India Money Market Account - Regular Account Dividend Reinvestment | 52,14,479.510 | 5,02,14,480 | - | - |
| 20. HDFC Cash Management Fund-Saving Plus Plan - Wholesale - Weekly Dividend Reinvestment | 25,13,131.798 | 2,52,22,031 | - | - |

SCHEDULE 7

SUNDRY DEBTORS

Unsecured

Debts outstanding for a period exceeding six months

Considered Good

Considered Doubtful

Other Debts - Considered Good

Less : Provision for Doubtful Debts

| | |
|---------------------|---------------------|
| 1,63,87,137 | 1,77,89,462 |
| 1,41,96,763 | 1,37,88,803 |
| 61,52,15,619 | 54,12,57,431 |
| <u>64,57,99,519</u> | <u>57,28,35,696</u> |
| 1,41,96,763 | 1,37,88,803 |
| <u>63,16,02,756</u> | <u>55,90,46,893</u> |

SCHEDULE 8

CASH AND BANK BALANCES

Cash and Cheques on hand

With Scheduled Banks

On Current Accounts

On Fixed Deposits*

On Dividend Account

| | |
|--------------------|--------------------|
| 3,55,29,575 | 5,51,30,132 |
| 4,21,00,955 | 3,22,92,561 |
| 11,31,540 | 11,33,615 |
| 27,37,729 | 25,31,924 |
| <u>8,14,99,799</u> | <u>9,10,88,232</u> |

* Includes Rs. Nil with Banks as Margin Money
(Previous Year Rs.11,33,615/-)

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

| | As at 31st March, 2008 Rupees | As at 31st March, 2007 Rupees |
|---|-------------------------------------|-------------------------------------|
| SCHEDULE 9 | | |
| OTHER CURRENT ASSETS | | |
| Unsecured - Considered Good | | |
| Interest accrued on Fixed Deposits | 4,29,891 | 4,00,244 |
| | <u>4,29,891</u> | <u>4,00,244</u> |
| SCHEDULE 10 | | |
| LOANS AND ADVANCES | | |
| Unsecured - Considered Good | | |
| Advances recoverable in cash or in kind or for value to be received | 2,23,06,314 | 2,28,28,376 |
| Sundry Deposits | 1,95,06,522 | 1,98,52,536 |
| Advance Income Tax (Net of Provisions) | 34,83,468 | 1,30,46,151 |
| Advance Fringe Benefit Tax (Net) | 10,31,518 | - |
| | <u>4,63,27,822</u> | <u>5,57,27,063</u> |
| SCHEDULE 11 | | |
| CURRENT LIABILITIES | | |
| Sundry Creditors | 31,40,08,709 | 31,44,54,740 |
| Unclaimed Dividend* | 27,37,729 | 25,31,924 |
| Book Overdraft | 2,79,50,151 | 85,41,574 |
| Other Liabilities | 58,78,801 | 51,47,425 |
| | <u>35,05,75,390</u> | <u>33,06,75,663</u> |
| * There is no amount due and outstanding to be credited to Investor Education and Protection Fund. | | |
| SCHEDULE 12 | | |
| PROVISIONS | | |
| Provision for Fringe Benefit Tax (Net) | - | 13,58,482 |
| Provision for Wealth Tax | 1,01,305 | 97,135 |
| Provision for Retirement Benefits | | |
| Gratuity & Superannuation | 9,13,520 | 29,38,518 |
| Leave Encashment | 80,64,021 | 63,06,134 |
| Medical | 16,96,231 | 15,22,616 |
| | <u>1,06,73,772</u> | <u>1,07,67,268</u> |
| Proposed Dividend | 2,39,83,500 | 2,39,83,500 |
| Tax on Proposed Dividend | 40,75,996 | 40,75,996 |
| | <u>3,88,34,573</u> | <u>4,02,82,381</u> |

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

For the year ended
31st March, 2008
Rupees

For the year ended
31st March, 2007
Rupees

SCHEDULE 13

INCOME FROM SERVICES RENDERED

Commission :

| | | |
|---------------------|---------------------|---------------------|
| Air Passage | 13,60,39,919 | 15,99,52,116 |
| Hotel Reservation | 10,60,789 | 16,40,238 |
| Shopping | 1,15,10,552 | 1,67,02,478 |
| Management Fees | 3,32,44,706 | 2,75,09,006 |
| Traveller's Cheques | 13,744 | 33,895 |
| Tours | 2,70,15,085 | 1,91,19,473 |
| Transport (Net) | 53,55,03,744 | 47,70,00,377 |
| Foreign Exchange | 1,51,92,404 | 1,44,48,270 |
| Other Services | 2,87,95,300 | 2,26,10,897 |
| | <u>78,83,76,243</u> | <u>73,90,16,750</u> |

SCHEDULE 14

OTHER INCOME

| | | |
|--|--------------------|--------------------|
| Interest on Unquoted Non Trade Long Term Investments (Gross) | - | 80,548 |
| Interest on Bank Deposits (Gross)* | 6,99,812 | 93,740 |
| Interest Others | 46,67,016 | - |
| Dividend from Unquoted Non Trade Current Investments | 37,92,143 | 43,60,578 |
| Dividend from Unquoted Non Trade Long Term Investments | - | 1,98,672 |
| Liabilities Written Back | 1,32,49,968 | 53,03,638 |
| Profit on Sale of Unquoted Non Trade Long Term Investments | 13,98,456 | 2,04,171 |
| Profit on Sale of Fixed Assets | 63,65,364 | 44,97,612 |
| Insurance Claim Received | 11,81,495 | 20,00,000 |
| Miscellaneous Income | 15,00,273 | 9,31,331 |
| | <u>3,28,54,527</u> | <u>1,76,70,290</u> |

* Tax deducted at source Rs. 1,08,244/- (Previous Year Rs. 2,723/-)

SCHEDULE 15

EMPLOYEES' REMUNERATION AND WELFARE EXPENDITURE

| | | |
|---|---------------------|---------------------|
| Salaries, Wages and Bonus | 15,37,59,849 | 12,31,16,371 |
| Contribution to Provident and Other Funds | 1,17,22,710 | 99,01,243 |
| Workmen and Staff Welfare Expenses | 4,35,95,023 | 3,93,01,421 |
| | <u>20,90,77,582</u> | <u>17,23,19,035</u> |

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

| | For the year ended 31st March, 2008 | | For the year ended 31st March, 2007 | |
|---|--|---------------------|--|---------------------|
| | Rupees | Rupees | Rupees | Rupees |
| SCHEDULE 16 | | | | |
| OPERATING AND OTHER EXPENDITURE | | | | |
| Car Fuel, Oil & Lubricants | | 6,53,57,175 | | 6,74,58,940 |
| Rent | | 2,36,03,001 | | 1,81,30,319 |
| Rates and Taxes | | 78,06,664 | | 76,54,696 |
| Travelling and Conveyance | | 1,65,62,128 | | 1,53,57,617 |
| Motor Vehicle Expenses | | 49,86,608 | | 46,53,240 |
| Postage, Telephone, Fax and Cellphones | | 1,88,50,736 | | 1,92,61,072 |
| Electricity and Water | | 88,32,359 | | 76,53,121 |
| Insurance | | 97,86,537 | | 1,15,98,035 |
| Repair and Maintenance - Building | | - | | 13,128 |
| Repair and Maintenance - Commercial Cars | | 3,95,61,496 | | 3,77,74,390 |
| Repair and Maintenance - Others | | 1,07,12,279 | | 98,91,848 |
| Service Charges | | 9,87,61,590 | | 8,60,66,807 |
| Directors' Fees | | 2,40,000 | | 1,22,500 |
| Business Promotion & Marketing Expenses | | 50,41,644 | | 69,72,257 |
| Printing and Stationery | | 1,16,07,298 | | 1,19,07,604 |
| Auditors' Remuneration | | | | |
| Audit Fee | 10,00,000 | | 10,00,000 | |
| Tax Audit | 2,00,000 | | 2,00,000 | |
| Out of Pocket Expenses | 1,39,000 | | 88,192 | |
| Other Services | 6,60,000 | 19,99,000 | 6,20,000 | 19,08,192 |
| Legal and Professional Charges | | 95,80,822 | | 70,45,375 |
| Advertisement | | 26,01,935 | | 63,42,665 |
| Subscription | | 16,85,310 | | 18,00,905 |
| Provision for Doubtful Debts / Advances | | 17,11,604 | | 18,83,427 |
| Bank Charges | | 12,18,024 | | 12,58,686 |
| Loss on Fixed Assets Discarded / Sold | | 2,35,624 | | 19,22,662 |
| Loss on Sale of Short Term Unquoted Non Trade Investments | | 1,18,621 | | 1,15,835 |
| Miscellaneous Expenses | | 37,72,801 | | 28,74,863 |
| | | <u>34,46,33,256</u> | | <u>32,96,68,184</u> |
| SCHEDULE 17 | | | | |
| INTEREST | | | | |
| On Bank Overdraft | | 2,33,516 | | 3,41,409 |
| On Term Loans | | | | |
| Banks | | 69,08,822 | | 70,01,884 |
| Others | | 23,19,415 | | 35,35,728 |
| | | <u>94,61,753</u> | | <u>1,08,79,021</u> |

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

| | For the year ended 31st March, 2008 Rupees | For the year ended 31st March, 2007 Rupees |
|---|--|--|
| SCHEDULE 18 | | |
| EARNINGS PER SHARE | | |
| (a) Profit after Taxation Before Prior Year Adjustment | 10,54,17,083 | 10,15,48,251 |
| (b) Profit after Taxation After Prior Year Adjustment | 10,54,17,083 | 10,01,62,133 |
| (c) Weighted average number of Equity Shares of Rs.10/- each outstanding | 79,94,500 | 79,94,500 |
| (d) Basic and diluted earnings per share in Rupees Before Prior Year Adjustment | 13.19 | 12.70 |
| (e) Basic and diluted earnings per share in Rupees After Prior Year Adjustment (Face Value - Rs.10/- per Share) | 13.19 | 12.53 |

SCHEDULE 19

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

I. Significant Accounting Policies

a. Accounting Convention

Financial statements are prepared in accordance with the historical cost convention on an accrual basis, generally accepted accounting principles, including mandatory Accounting Standards issued by The Institute of Chartered Accountants of India, to the extent applicable and relevant presentational requirements of the Companies Act, 1956.

b. Fixed Assets

To state fixed assets at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition less accumulated depreciation and impairment losses, if any.

Intangible assets represent acquired computer software, being amortised over the period of 60 months over which benefits are likely to accrue to the Company.

c. Depreciation / Amortisation

Depreciation is provided on fixed assets acquired upto 31st March, 1992 on written down value method and in respect of assets acquired thereafter, on straight line method.

In respect of assets acquired after 31st March, 1992, depreciation is calculated on fixed assets in a manner that amortises the cost of the assets after commissioning, over their estimated useful lives or lives based on the rates specified in Schedule XIV to the Companies Act, 1956, whichever is lower, by equal annual installments. Commercial and non-commercial vehicles are being depreciated at the rate of 20% which is higher than the rates specified in schedule XIV. Assets individually costing Rs. 5,000/- or less are fully depreciated in the year of purchase. Leasehold Improvements are amortised over lease period or economic useful life whichever is shorter.

Software costs are amortised over a period of five years or useful life whichever is lower.

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

d. Employee Benefits

- i. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
- ii. Gratuity liability, Post employment Medical Benefit liability and Superannuation Benefit liability are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- iv. Actuarial gains / losses are immediately taken to Profit and Loss Account and are not deferred.

e. Revenue Recognition

For services rendered to clients, the commission received from airlines (other than Productivity Linked Bonus, which is accounted when ascertainable), hotels etc., income on tours and transport and other services (net of charges) are accounted for on completion of service.

f. Foreign Currency Transactions

To record transactions in foreign currencies at the exchange rates prevailing on the date of the transaction. Monetary liability / assets on account of foreign currency are converted at the exchange rates prevailing as at the end of the year. Exchange differences are appropriately dealt with in the Profit and Loss Account.

g. Investments

To state Current Investments at lower of cost and fair value and Long Term Investments at cost. Where applicable, provision is made where there is a diminution, other than temporary, in valuation of Long Term Investments.

h. Proposed Dividend

To provide for Dividends as proposed by the Board of Directors in the books of account, pending approval at the Annual General Meeting.

i. Borrowing Cost

Borrowing costs attributable to the acquisition or construction of a qualifying asset is capitalised as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

j. Taxation

To provide and determine current tax as the amount of tax payable in respect of taxable income for the period.
To provide and determine fringe benefit tax as the amount of tax payable in respect of taxable fringe benefits for the period.

To provide and recognise deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.

Not to recognise entire deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such assets.

k. Finance Leases

Leases of fixed assets where the Company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Corresponding rental obligations, net of finance charges, are included in

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

payables. The interest element of the finance charges is charged to the Profit and Loss Account over the lease period.

Operating Leases

Lease rentals are recognised as expense on a straight-line basis over the term of the lease.

l. Segment Reporting

To identify segments based on the dominant source and nature of risks and returns and the internal organisation and management structure.

m. Provisions

A Provision is recognised when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

n. Derivative Instruments

Derivative contracts other than foreign exchange contracts outstanding at the year end are marked to market on a portfolio basis. Any loss arising on such contracts is provided for in the statement of Profit and Loss Account.

2. Notes to Accounts :

i. Related Party Disclosure under Accounting Standard 18

Parties where control exists

Associate companies : ITC Limited and Russell Credit Limited.

Key Management Personnel:

Board of Directors

Mr. S. S. H. Rehman

Mr. Anil Bhandari (till 16/02/2008)

Mr. Nakul Anand

Mr. Anil Rajput

Mr. H. P. Ranina

Mr. S. C. Sekhar

Mr. K. L. Thapar

Mr. O. P. Vaish

Corporate Management Committee Members

Mr. Jehangir J. Ghadiali (w.e.f. 01/07/2007)

Mr. Atul Kumar

Mr. Ghanshyam Arora

Mr. Arvind Sinha (till 23/05/2007)

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

| | Associate Companies | Associate Companies | Key Mgmt. Personnel | Key Mgmt. Personnel | Key Mgmt. Personnel Relatives/Firms | Key Mgmt. Personnel Relatives/Firms |
|---|------------------------|-------------------------|------------------------|-------------------------|---|---|
| | Current year Rupees | Previous year Rupees | Current year Rupees | Previous year Rupees | Current year Rupees | Previous year Rupees |
| Transactions during the year : | | | | | | |
| Sale of Services | | | | | | |
| - ITC Limited | 69,43,93,327 | 72,94,74,821 | - | - | - | - |
| - Others | - | - | - | - | - | 1,07,02,766 |
| Purchase of Goods and Services | | | | | | |
| - ITC Limited | 1,02,47,735 | 1,07,95,182 | - | - | - | - |
| - Others | - | - | - | - | 6,89,450* | 8,53,350* |
| Rent | | | | | | |
| - ITC Limited | 60,75,132 | 36,04,183 | - | - | - | - |
| Directors' Fees | | | | | | |
| - Others | - | - | 2,40,000 | 1,22,500 | - | - |
| Sale of Fixed Assets | | | | | | |
| - Others | - | - | - | 2,62,631 | - | - |
| Dividend Paid | | | | | | |
| - ITC Limited | 8,62,800 | 7,19,000 | - | - | - | - |
| - Russell Credit Limited | 1,08,79,914 | 90,66,595 | - | - | - | - |
| - Others | - | - | - | - | 300 | 250 |
| Balance outstanding as at the year end : | | | | | | |
| Accounts Receivable | | | | | | |
| - ITC Limited | 7,77,25,210 | 7,11,64,680 | - | - | - | - |
| Sundry Creditors | | | | | | |
| - ITC Limited | 20,87,893 | 13,31,935 | - | - | - | - |
| - Others | - | - | - | - | 1,12,518 | 4,47,739 |
| Deposit Paid | | | | | | |
| - ITC Limited | 8,27,100 | 3,24,000 | - | - | - | - |
| Remuneration paid during the year | | | | | | |
| - Mr. Anil Bhandari | - | - | 36,53,567 | 34,74,655 | - | - |
| - Mr. Atul Kumar | - | - | 28,29,061# | 22,14,168# | - | - |
| - Mr. Jehangir J. Ghadiali (Senior Executive Vice President) | - | - | 18,22,158# | - | - | - |
| - (Managing Director) | - | - | 3,81,287 | - | - | - |
| - Mr. Kamal Hingorani | - | - | - | 24,10,551 | - | - |
| - Mr. Ghanshyam Arora | - | - | 19,16,321 | 12,21,504 | - | - |
| - Mr. Arvind Sinha | - | - | 5,05,037 | 11,92,175 | - | - |

* Amount paid to M/s. Vaish Associates, where Mrs. Manju Vaish, Mr. Vinay Vaish and Mrs. Kali Vohra are partners and relatives of Mr. O. P. Vaish as wife, son and daughter respectively.

Paid through ITC Limited.

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

| | For the year ended 31st March, 2008 Rupees | For the year ended 31st March, 2007 Rupees |
|---|--|--|
| ii. Expenditure in Foreign Currency | | |
| Subscription, Entrance Fees, Travel etc. | 18,59,086 | 23,51,837 |
| iii. Receipts in Foreign Currency : | | |
| Receipts from Travel & Tours | 5,52,88,293 | 5,14,64,262 |
| Receipt by way of Car Rental Services | 6,74,43,241 | 6,47,49,400 |
| iv. Director's Remuneration : | | |
| Salary and Allowances | 35,89,114 | 28,95,000 |
| Other Perquisites | 1,55,753 | 131,948 |
| Contribution to Provident and other Funds | 2,89,987 | 4,47,707 |
| | 40,34,854 | 34,74,655 |

- v. Defined Benefit Plan / Long Term Compensated Absences - As per Actuarial Valuations as on 31st March, 2008 and recognised in the financial statements in respect for Employee Benefit Schemes:

| | Pension | Gratuity | Leave Encashment | Medical |
|---|-------------|------------|---------------------|-------------|
| | Funded | Funded | Unfunded | Unfunded |
| | Rupees | Rupees | Rupees | Rupees |
| a) Components of Employer Expense | | | | |
| 1. Current Service Cost | 17,09,205 | 13,52,602 | 16,56,430 | 1,61,648 |
| 2. Interest Cost | 17,70,252 | 6,18,676 | 4,51,672 | 1,21,809 |
| 3. Expected Return on Plan Assets | (10,48,505) | (4,29,643) | - | - |
| 4. Actuarial Losses / (Gains) | (9,76,200) | 4,37,569 | 20,42,375 | (1,09,842) |
| 5. Total expense recognised in the Statement of Profit & Loss Account | 14,54,752 | 19,79,204 | 41,50,477 | 1,73,615 |
| The Pension and Gratuity Expenses have been recognised in "Contribution to Provident and Other Funds" and Leave Encashment and Medical in "Workmen and Staff Welfare Expenses" Under Schedule 15. | | | | |
| b) Actual Returns for the period ended 31st March, 2008 | 10,48,505 | 5,39,111 | - | - |
| c) Net Asset / (Liability) recognised in Balance Sheet as at 31st March, 2008 | | | | |
| 1. Present Value of Defined Benefit Obligation | 2,04,67,254 | 89,36,306 | 72,00,019 | 16,96,231 |
| 2. Fair Value on Plan Assets | 2,04,67,254 | 80,22,786 | - | - |
| 3. Status [Surplus / (Deficit)] | - | (9,13,520) | (72,00,019) | (16,96,231) |
| 4. Net Asset / (Liability) recognised in Balance Sheet | - | (9,13,520) | (72,00,019) | (16,96,231) |

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

| | Pension | Gratuity | Leave | Medical |
|--|--------------------|------------------|------------------|------------------|
| | | | Encashment | |
| | Funded | | Unfunded | |
| | Rupees | Rupees | Rupees | Rupees |
| d) Change in Defined Benefit Obligations (DBO) during the year ended 31st March, 2008 | | | | |
| 1. Present Value of DBO at the Beginning of Period | 2,21,28,147 | 77,12,326 | 56,30,477 | 15,22,616 |
| 2. Current Service Cost | 17,09,205 | 13,52,602 | 16,56,430 | 1,61,648 |
| 3. Interest Cost | 17,70,252 | 6,18,676 | 4,51,672 | 1,21,809 |
| 4. Actuarial (Gains) / Losses | (9,76,200) | 5,47,037 | 20,42,375 | (1,09,842) |
| 5. Benefits Paid | (41,64,150) | (12,94,335) | (25,80,935) | – |
| 6. Present Value of DBO at the End of Period | 2,04,67,254 | 89,36,306 | 72,00,019 | 16,96,231 |
| e) Change in Fair Value of Assets during the year ended 31st March, 2008 | | | | |
| 1. Plan Assets at the Beginning of Period | 2,21,28,147 | 47,73,808 | – | – |
| 2. Expected Return on Plan Assets | 10,48,505 | 4,29,643 | – | – |
| 3. Actuarial Gains / (Losses) | – | 1,09,468 | – | – |
| 4. Actual Company Contribution | 14,54,752 | 34,38,518 | – | – |
| 5. Benefits Paid | – | (7,28,651) | – | – |
| 6. Benefits Unpaid | (41,64,150) | – | – | – |
| 7. Plan Assets at the End of period | 2,04,67,254 | 80,22,786 | – | – |
| f) Actuarial Assumptions | | | | |
| 1. Discount Rate | 8% | 8% | 8% | 8% |
| 2. Expected Return on Plan Assets | 8% | 9% | – | – |
| The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. | | | | |
| g) Major Category of Plan Assets as a % of the Total Plan Assets as at 31st March, 2008 | | | | |
| | | Pension | Gratuity | |
| 1. Government Securities | | 3% | – | |
| 2. High Quality Corporate Bonds | | 39% | – | |
| 3. Insurance Companies | | – | 100% | |
| 4. Mutual Funds | | 21% | – | |
| 5. Fixed Deposits | | 29% | – | |
| 6. Cash and Cash Equivalents | | 8% | – | |
| h) Basis used to determine the Expected Rate of Return on Plan Assets | | | | |
| The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified. | | | | |

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

- i) The current year being the first year of adoption of AS 15 (revised) by the Company, the previous year comparative information is not considered necessary to be furnished.
- j) The impact on service cost, interest cost and projected benefit obligations due to one percent point increase or decrease of medical costs is Nil as the benefits are subject to monetary limits.
- k) Experience adjustments on plan liabilities and plan assets is same as the actuarial gain / loss disclosed in the respective clause above.
- l) Contributions expected to be made in plans in the next year will be disclosed as soon as it can be reasonably determined.
- vi. **Contingent liabilities not provided for:**
- a. Guarantee outstanding Rs.1,00,00,000/- (Previous Year Rs.1,00,00,000/-).
- b. Claim against the Company not acknowledged as debts Rs.9,93,406/- (Previous Year Rs.9,93,406/-) for which Company has initiated a legal suit in High Court of Delhi.
- vii. Sundry Debtors include an amount of Rs.46,70,033/- (Previous Year Rs.46,70,033/-) representing recoverable from certain customers on account of Value Added Tax (VAT). Management is confident that the same is recoverable either through the process of law or from the said customers.
- viii. Capital commitments (net of capital advances) Rs.6,75,370/- (Previous Year Rs.52,57,545/-). The outstanding liabilities as at the close of the year do not include any amounts due to any small scale industrial undertaking as defined under section 3(j) of the Industries (Development & Regulation) Act, 1951.
- ix. In terms of the requirements of the Micro, Small and Medium Enterprises Development Act, 2006, the Company has continuously asked for confirmations. Based on the above evaluation, interest for and disclosure to be made, if any, will be provided as and when ascertained. There is no interest paid during the year or is payable at the year end.
- x. Pursuant to The Institute of Chartered Accountants of India's Announcement dated 29th March, 2008 on "Accounting for Derivatives", the Company has reviewed the contracts to identify potential derivative contracts. On such review, no derivative contracts were identified as derivative contracts and accordingly, no accounting adjustment in this regard was deemed necessary.
- xi. The Company's significant leasing arrangements are in respect of operating leases for premises. These leasing arrangements which are primarily not non-cancelable range between 11 months and 9 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent under Schedule 16. The minimum lease payments in respects of the non-cancellable leases are:

| | As at 31st March, 2008 Rupees | As at 31st March, 2007 Rupees |
|---|--|---|
| Minimum Lease Payments : | | |
| Not later than one year | 6,30,000 | 15,12,000 |
| Later than one year but not later than five years | - | 6,30,000 |

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

xii. Segmental Reporting

Business Segments

The primary reporting of the Company has been performed on the basis of business segment. The Company has only one reportable business segment, which is 'Travel Related Services' that includes Air Ticketing, Car Rentals, Inbound Tourism, Overseas and Domestic Holiday Packages, Conferences, Events and Exhibition Management and operates in a single business segment based on the nature of the products, the risks and returns, the organisation structure and the internal financial reporting systems. Accordingly, the figures appearing in these financial statements relate to the Company's single business segment.

Geographical Segments

Secondary segmental reporting is performed on the basis of the geographical location of customers. The operations of the Company are confined to India. Accordingly, the figures appearing in these financial statements relate to the Company's single geographical segment.

xiii. Previous year's figures have been regrouped / rearranged wherever necessary.

As per our report of even date

S. R. Batliboi & Associates
Chartered Accountants

per Pankaj Chadha
Partner
Membership No. 91813

Place : Gurgaon
Date : 7th May, 2008

On behalf of the Board of Directors

Jehangir J. Ghadiali
Managing Director

S. C. Sekhar
Director

Janaki Aggarwal
Company Secretary

Place : New Delhi
Date : 7th May, 2008

International Travel House Limited

AUDITORS' REPORT TO THE MEMBERS

1. We have audited the attached Balance Sheet of International Travel House Limited as at 31st March, 2008 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') 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.
4. Further to our comments in the Annexure referred to above, we report that :
 - i) 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 ;
 - ii) 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 ;
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ;
 - v) On the basis of the written representations received from the directors, as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 ;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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, 2008 ;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date ; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

S.R. Batliboi & Associates
Chartered Accountants

per Pankaj Chadha

Partner

Membership No. 91813

Place : Gurgaon

Date : 7th May, 2008

International Travel House Limited

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 3 of our report of even date Re: International Travel House Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) The Company does not have inventory, hence clauses 2 (a), (b) and (c) of the Order are not applicable in case of the Company.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of paragraph 4(iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (b) As informed, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of paragraph 4(iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) 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 fixed assets and for the sale of services. Due to the nature of its business, the Company does not have purchase of inventory or sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) According to the information and explanations given to us, the Company has not entered into any contract or arrangement referred to in Section 301 of the Act, the particulars of which need to be entered in the register required to be maintained under that section.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities 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 other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

International Travel House Limited

ANNEXURE TO THE AUDITORS' REPORT

- (c) According to the information and explanations given to us, there are no dues of income tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. The Company did not have any outstanding dues in respect of a financial institution. Also the Company did not have any outstanding debentures during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) 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 Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the 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 bank or financial institutions.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money through public issues during the year.
- (xxi) 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 course of our audit.

S.R. Batliboi & Associates
Chartered Accountants

per Pankaj Chadha
Partner

Place : Gurgaon
Date : 7th May, 2008

Membership No. 91813

International Travel House Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

I. Registration Details

Registration No. State Code
 Balance Sheet Date
 Day Month Year

II. Capital raised during the year (amount in Rs. thousands)

| | |
|---|--|
| Public Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="."/> <input type="text" value="A"/> <input type="text" value="."/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> | Rights Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="."/> <input type="text" value="A"/> <input type="text" value="."/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> |
| Bonus Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="."/> <input type="text" value="A"/> <input type="text" value="."/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> | Private Placement <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="."/> <input type="text" value="A"/> <input type="text" value="."/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> |

III. Position of Mobilization and deployment of funds (amount in Rs. thousands)

| | |
|---|--|
| Total Liabilities <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="8"/> | Total Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="8"/> |
|---|--|

Sources of Funds

| | |
|---|---|
| Paid up Capital <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="5"/> | Reserves & Surplus <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="5"/> |
| Secured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="7"/> | Unsecured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="."/> <input type="text" value="A"/> <input type="text" value="."/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> |
| Deferred Tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="1"/> | |

Application of Funds

| | |
|---|--|
| Net Fixed Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="8"/> | Investments <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> |
| Net Current Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="0"/> | Misc. Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="."/> <input type="text" value="A"/> <input type="text" value="."/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> |
| Accumulated Losses <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="."/> <input type="text" value="A"/> <input type="text" value="."/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> | |

IV. Performance of Company (amount in Rs. thousands)

| | |
|--|--|
| Turnover* <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="1"/> | Total Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="9"/> |
|--|--|

* Includes Other Income

| | | | |
|-------------------------------------|---|-------------------------------------|---|
| + / - | Profit / Loss Before Tax | + / - | Profit / Loss After Tax |
| <input checked="" type="checkbox"/> | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="2"/> | <input checked="" type="checkbox"/> | <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="7"/> |

(Please tick appropriate box + for profit, - for loss)

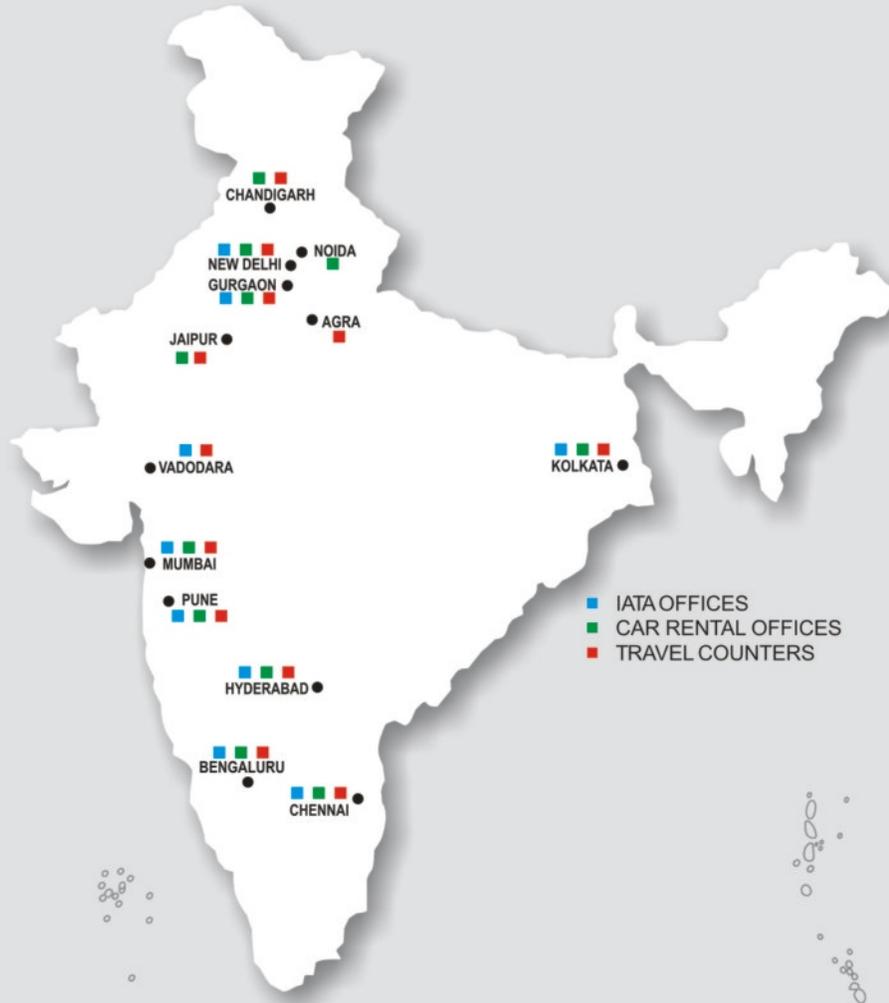
| | |
|---|--|
| Earnings Per Share in Rs. <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="."/> <input type="text" value="1"/> <input type="text" value="9"/> | Dividend Rate % <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="0"/> |
|---|--|

V. Generic names of three principal products / services of Company (as per monetary terms)

Item Code No.

Product Description The Company is in the Travel Related Services which is not covered under ITC classification.

TRAVEL HOUSE NETWORK



11 IATA Offices, 13 Car Rental offices and 18 Travel Counters are part of the Travel House Network

TRAVEL COUNTERS

AGRA
ITC Mughal
 Taj Ganj, Agra - 282 001
 Tel: 0562 - 2330350

BENGALURU
ITC Windsor
 25, Golf Course Road
 Bengaluru - 560 052
 Tel: 080 - 22269898

CHENNAI
Sheraton Chola
 10, Cathedral Road
 Chennai - 600 086
 Tel: 044 -28116090

CHANDIGARH
SCO No. 48-49
 Sector 9 D
 Chandigarh - 160 009
 Tel: 0172 - 4639605

GURGAON
Fortune Select Global
 Mehrauli - Gurgaon Road
 Gurgaon - 122 022
 Tel: 0124 - 4196600

HYDERABAD
ITC Kakatiya
 6-3-1187, Begumpet
 Hyderabad - 500 016
 Tel: 040 - 23405020

JAIPUR
Sheraton Rajputana
 Palace Road
 Jaipur - 302 006
 Tel: 0141 - 2361268

KOLKATA
ITC Sonar
 1, JBS Haldane Avenue
 Kolkata - 700 046
 Tel: 033 -23004017,
 23454061

The Park
 17 Park Street
 Kolkata - 700 016
 Tel: 033 - 22493121

MUMBAI
ITC Maratha
 Sahar, Mumbai - 400 099
 Tel: 022 - 28317928-29

ITC Grand Central
 287, Dr. Baba Saheb
 Ambedkar Road
 Parel, Mumbai - 400 012
 Tel: 022 - 55045057

Sun n Sand
 39, Juhu Beach
 Mumbai - 400 049
 Tel: 022 - 66938888

NEW DELHI
ITC Maurya
 Diplomatic Enclave
 New Delhi - 110 021
 Tel: 011 - 41095555

Sheraton New Delhi
 District Centre, Saket
 New Delhi - 110 017
 Tel: 011 - 42661122

Intercontinental Eros
 International Trade Tower
 Nehru Place
 New Delhi - 110 019
 Tel: 011 - 41223344

Hotel Shangri-La
 19, Ashoka Road
 New Delhi - 110 001
 Tel: 011 - 41501731-32

PUNE
Sun n Sand
 262, Bund Garden Road
 Pune - 411 001
 Tel: 020 - 26137777

VADODARA
WelcomHotel Vadodara
 R.C. Dutt Road, Alkapuri
 Vadodara - 390 007
 Tel: 0265 - 2312706

IATA OFFICES

BENGALURU - I

ITC Infotech Park
18, Banaswadi Main Road
Pulikeshinagar
Bengaluru - 560 005
Tel: 080 - 41818181

MUMBAI - I

287/14, Millsquare
Dr. E Borges Road
Parel
Mumbai - 400 012
Tel: 022 - 66435643

BENGALURU - II

148, 1st Floor, HSR Layout
Sector V, Outer Ring Road
Bengaluru - 560 034
Tel: 080 - 41909090

MUMBAI - II

Ground Floor, Sterling Centre
Andheri-Kurla Road, Andheri (E)
Mumbai - 400 093
Tel: 022 - 28200862-68

CHENNAI

Tarapore Towers
826, Anna Salai
Chennai - 600 002
Tel: 044 - 43970000

NEW DELHI

T-2, Community Centre
Sheikh Sarai, Phase-I
New Delhi - 110 017
Tel: 011 - 46059000

GURGAON

ITC Green Centre
10, Institutional Area
Sector 32
Gurgaon - 122 002
Tel: 0124 - 4175051- 62

PUNE

B-8 & 9, Fifth Avenue
Plot 177/3, Dhole Patil Road
Pune - 411 001
Tel: 020 - 40112233

HYDERABAD

ITC Bhadrachalam House
106, Sardar Patel Road
Secunderabad - 500 003
Tel: 040 - 40233200-01

VADODARA

WelcomHotel Vadodara
R.C.Dutt Road
Alkapuri, Vadodara - 390 007
Tel: 0265 - 2312706, 2330033

KOLKATA

ITC Centre, 4th Floor
37, J L Nehru Road
Kolkata - 700 071
Tel: 033 - 40013163

CAR RENTAL OFFICES (24 Hours)

BENGALURU - I

85, Sheriff House
Richmond Road
Bengaluru - 560 052
Tel: 080 - 41477788

KOLKATA

ITC Centre
37, J L Nehru Road
Kolkata - 700 071
Tel: 033 - 40013150

BENGALURU - II

148, 1st Floor
HSR Layout, Sector V
Outer Ring Road
Bengaluru - 560 034
Tel: 080 - 41909090

MUMBAI - I

G-A1, BITS Business Centre
Jukaso House, Saki Naka
Andheri (E)
Mumbai - 400 072
Tel: 022 - 67896000

CHANDIGARH

SCO No. 48-49
Sector 9 D
Chandigarh - 160 009
Tel: 0172 - 4639605/09

MUMBAI - II

287/14, Millsquare
Dr. E Borges Road, Parel
Mumbai - 400 012
Tel: 022 - 66435600

CHENNAI

Sheraton Chola
10, Cathedral Road
Chennai - 600 086
Tel: 044 - 43970000

NEW DELHI

306, 3rd Floor
Bhikaiji Cama Bhawan
Bhikaiji Cama Place
New Delhi - 110 066
Tel: 011 - 41659466-69

GURGAON

112, DLF Qutab Plaza
Phase-1
Gurgaon - 122 002
Tel: 0124 - 4381460-68

NOIDA

9 & 10, Lower Ground Floor
Ansal Fortune Arcade
Sector 18
Noida - 201 301
Tel: 0124 - 4218711-16

HYDERABAD

ITC Bhadrachalam House
106, Sardar Patel Road
Secunderabad - 500 003
Tel: 040 - 27841373

PUNE

B-8 & 9, Fifth Avenue
Plot 177/3, Dhole Patil Road
Pune - 411 001
Tel: 020 - 40112288

JAIPUR

G-2, Shrigopal Tower
G-19C, Krishna Marg
Jaipur - 302 006
Tel: 0141 - 4006550/54

INTERNATIONAL TRAVEL HOUSE LIMITED

T-2, Community Centre, Sheikh Sarai, Phase - I, New Delhi 110 017.

Tel: +91 | | 2601 7808, 4605 9100, 4605 9101.

Fax: +91 || 2601 1543

www.travelhouseindia.com