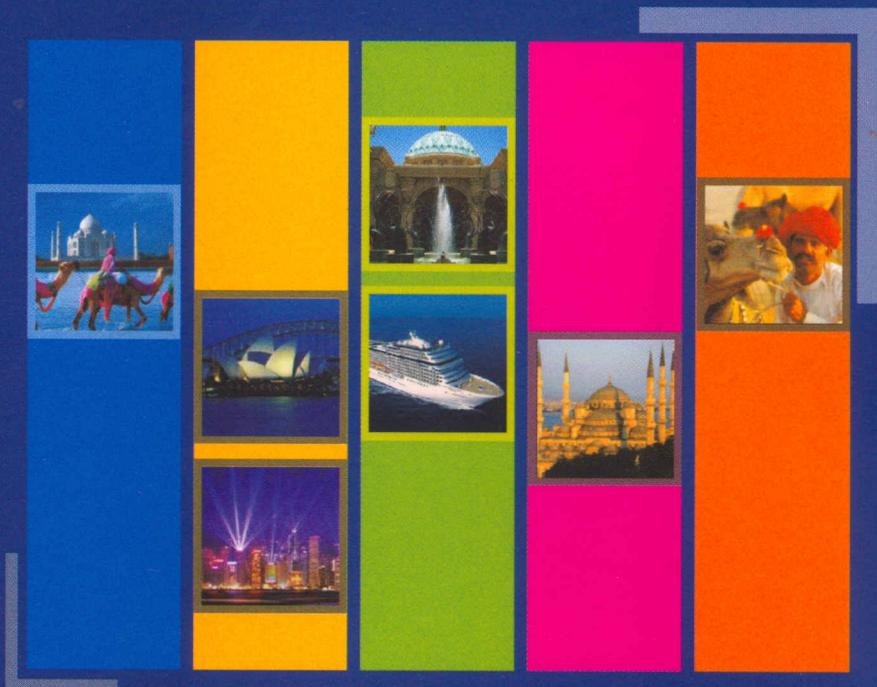


INTERNATIONAL TRAVEL HOUSE LIMITED



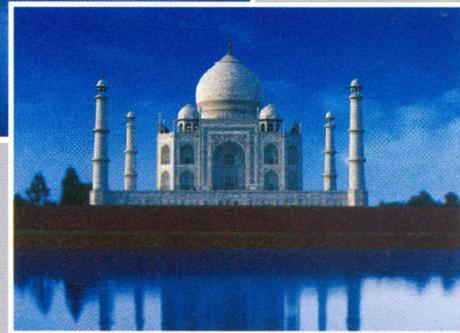
ANNUAL REPORT - 2009

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International Travel House Limited

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International Travel House Limited

BOARD OF DIRECTORS & COMMITTEES

Chairman and Non-Executive Director

Nakul Anand

Managing Director

Jehangir Jal Ghadiali

Non-Executive Directors

Anil Bajjal

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)

Raghupati Wahi

(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

Nominations & Remuneration Committee

Nakul Anand

Anil Bajjal

Anil Rajput

H. P. Ranina

S. C. Sekhar

K. L. Thapar

O. P. Vaish

Chairman

Member

Member

Member

Member

Member

Member

Investor Services Committee

O. P. Vaish

Jehangir J. Ghadiali

S. C. Sekhar

Janaki Aggarwal

Chairman

Member

Member

Secretary

CORPORATE MANAGEMENT COMMITTEE

Director

Jehangir J. Ghadiali

Chairman

Executives

Raghupati Wahi

Ghanshyam Arora

Sidhartha Roy

Janaki Aggarwal

Member

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 Eighth 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 Monday, the 31st day of August, 2009 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, 2009, 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, 2009.
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. Anil Baijal 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.”

The Register of Members of the Company shall remain closed from Tuesday, 18th August, 2009 to Monday 31st August, 2009, both days inclusive. Share Transfers received in order with the Company's Registrar and Share Transfer Agents, M/s. MCS Limited at F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020 by close of business on 17th August, 2009 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 5th September, 2009, to those Members entitled thereto and whose names shall appear on the Register of Members of the Company on 31st August, 2009, 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 on 17th August, 2009 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 : 5th May, 2009

Janaki Aggarwal
Company Secretary

NOTES :

1. A Member entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company. 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 AGM i.e. by 9.30 a.m. on 29th August, 2009.
2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to the Special Business to be transacted at this AGM 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 AGM.
4. In accordance with the provisions of Article 143 of the Articles of Association of the Company, Mr. Nakul Anand and Mr. Anil Rajput will retire by rotation at this AGM and, being eligible, offer themselves for re-appointment. Mr. Anand holds 100 shares as a joint holder in the Company. Mr. Rajput do not hold any share in the Company.

International Travel House Limited

NOTICE OF ANNUAL GENERAL MEETING

5. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, in respect of Mr. Anil Bajjal for appointment as Director at this AGM is appearing in the Report and Accounts.
6. Members are requested to bring their admission slips along with a copy of the Report and Accounts to the AGM.
7. Members holding shares in 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 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. Unclaimed / unpaid dividend for the financial year ended 31st March, 2002 will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') in the month of August, 2009, 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, 2002, 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, 2002, it will not be possible to entertain claims which are received by the Company after 27th August, 2009.

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 certificate form and wish to make / change nomination in respect of their shareholding in the Company, may submit to M/s. MCS Limited the prescribed Form 2B.
11. Members who wish to obtain information on the Company or view the Accounts for the financial year ended 31st March, 2009, may visit the Company's website www.travelhouseindia.com.

EXPLANATORY STATEMENT

Annexed to the Notice convening the Twenty Eighth Annual General Meeting to be held on Monday, 31st August, 2009.

Item No. 5

Mr. Anil Bajjal was appointed as Additional Director of the Company by the Board of Directors of your Company at its meeting held on 28th January, 2009.

In terms of Section 260 of the Companies Act, 1956 ('the Act') and Article 130 of the Articles of Association of the Company, Mr. Bajjal 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. Bajjal 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. Bajjal has filed his consent pursuant to Section 264(1) of the Act to act as such Director, if appointed. Mr. Bajjal do not hold any share in the Company.

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

The Board recommends this Resolution for your approval.

By Order of the Board

Place : New Delhi
Dated : 5th May, 2009

Janaki Aggarwal
Company Secretary

International Travel House Limited



International Travel House Limited

YOUR DIRECTORS

Ranina is the recipient of the “Outstanding Young Persons 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 on 27th November, 2000 and is continuing his directorship since then. He is the Chairman of the Inspection and Audit Committee of the Reserve Bank of India.

Other Directorships

Name of the Company	Position
Pennwalt 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 31 years, he has held various positions in the finance function besides working as Executive Assistant to the 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

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 more than 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 a 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 the 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.

International Travel House Limited

YOUR DIRECTORS

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 the 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 and Member of the Expert Committee to advise Government on new Company Law.

Currently he is a member of the Executive Committee of FICCI & ICC India. He is also a member of the Board of Governors of the International Management Institute.

He is a 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
Maytas Infra 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
Indo Rama Synthetics (India) Limited	Audit Committee	Member

Anil Baijal

Anil Baijal was appointed as an Independent Non-Executive Director of the Company on 28th January, 2009.

Baijal started off in the Indian Administrative Service in 1969 from the Union Territories Cadre and superannuated in October 2006 as Secretary, Ministry of Urban Development, Government of India. He piloted the flagship programme of the Jawaharlal Nehru Urban Renewal Mission for improving infrastructure and basic services in the urban areas of the country.

In his long career spanning over 38 years, he has held several eminent positions including that of Chairman and Managing Director of Indian Airlines, Chief Executive of Prasar Bharti Corporation, Union Home Secretary, Additional Secretary, Ministry of Information & Broadcasting and Joint Secretary in the Ministry of Civil Aviation, Government of India.

He was posted as the Counsellor in-charge of the Indian Aid Programme in Nepal, Embassy of India, Kathmandu. He also had a brief stint as Vice Chairman of Delhi Development Authority.

Currently he is a Senior Advisor in Infrastructure Development & Finance Company.

Other Directorships

Name of the Company	Position
ITC Limited	Director
Bangalore Metro Rail Corporation Limited	Director
DLF Pramerica Life Insurance Company Limited	Director

Committee Membership of other Companies

Name of the Company	Committee	Position
DLF Pramerica Life Insurance Company 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 attainment of an 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 benchmarking itself with the best business practices globally.

The Governance Structure

The practice of Corporate Governance in the Company is at three interlinked 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 of Executive and Non-Executive Directors, the latter including independent professionals. Directors are appointed /re-appointed with the approval of the Shareholders and all are liable to retire by rotation. 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, 2009

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

Meetings and Attendance

During the financial year ended 31st March, 2009, five meetings of the Board were held as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1	7th May, 2008	8	7
2	28th July, 2008	8	8
3	27th October, 2008	8	8
4	28th January, 2009	9	9
5	18th March, 2009	9	9

International Travel House Limited

REPORT ON CORPORATE GOVERNANCE

The composition of Board as on 31st March, 2009 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	N.A.	N.A.
2	Nakul Anand ****	Chairman & Non-Executive Director	5	Yes	7	1
3	Anil Bajjal *****	Non-Executive Independent Director	2	N.A.	3	1
4	H. P. Ranina	Non-Executive Independent Director	5	Yes	2	Nil
5	K. L. Thapar	Non-Executive Independent Director	5	Yes	Nil	Nil
6	O. P. Vaish	Non-Executive Independent Director	4	Yes	5	3 (including 1 as Chairman)
7	Anil Rajput	Non-Executive Director	5	Yes	Nil	Nil
8	S. C. Sekhar	Non-Executive Director	5	Yes	8 (including 1 as Managing Director)	5 (including 2 as Chairman)
9	Jehangir J. Ghadiali	Managing Director	5	Yes	Nil	Nil

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

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

*** Ceased to be the Chairman & Director w.e.f. close of business on 20th March, 2009.

**** Appointed as the Chairman w.e.f. 21st March, 2009.

***** Appointed a Director w.e.f. 28th January, 2009.

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 terms of reference of the Board Committees are determined by the Board from time to time. Signed minutes of Board Committee meetings are placed for the information of the Board. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

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

International Travel House Limited

REPORT ON CORPORATE GOVERNANCE

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;
- 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;
 - Report of the Directors & Management Discussion and Analysis;
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board;
- Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- 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 the 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 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 a 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 ended 31st March, 2009

Sl. No.	Date	Committee Strength	No. of Members present
1	6th May, 2008	4	3
2	28th July, 2008	4	4
3	27th October, 2008	4	4
4	28th January, 2009	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	4

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, 2009

Sl. No.	Date	Committee Strength	No. of Members present
1	7th May, 2008	3	2
2	28th July, 2008	3	3
3	27th October, 2008	3	3
4	28th January, 2009	3	3

Attendance at Investor Services Committee Meetings held during the financial year

Director	No. of meetings attended
O. P. Vaish	3
S. C. Sekhar	4
Jehangir J. Ghadiali	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 senior most 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 senior most 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, 2009

Sl. No.	Date	Committee Strength	No. of Members present
1	7th May, 2008	7	6
2	27th October, 2008	7	7
3	28th January, 2009	7	7

International Travel House Limited

REPORT ON CORPORATE GOVERNANCE

Attendance at Nominations & Remuneration Committee Meeting held during the financial year.

Director	No. of meetings attended
S. S. H. Rehman	3
Nakul Anand	3
Anil Rajput	3
H. P. Ranina	3
S. C. Sekhar	3
K. L. Thapar	3
O. P. Vaish	2

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, 2009

(Rs. in Lacs)

Director	Consolidated Salary	Supplementary Allowance	Perquisites and other Benefits	Performance Bonus	Total	Sitting Fees
Executive Director						
Jehangir J. Ghadiali	10.20	9.00	3.96	0.62	28.34	-
Non-Executive Directors						
S.S.H. Rehman*	-	-	-	-	-	-
Nakul Anand	-	-	-	-	-	-
Anil Baijal**	-	-	-	-	-	0.15
Anil Rajput	-	-	-	-	-	-
H. P. Ranina	-	-	-	-	-	0.77
S. C. Sekhar	-	-	-	-	-	-
K. L. Thapar	-	-	-	-	-	0.77
O. P. Vaish	-	-	-	-	-	0.75

* Ceased to be the Chairman & Director w.e.f. close of business on 20th March, 2009.

** Appointed as a Director effective 28th January, 2009.

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, 2009

Director	No. of Equity Shares of Rs. 10/- each held singly / jointly
Nakul Anand	100
Anil Baijal	Nil
Jehangir J. Ghadiali	Nil
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 resolution 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, 2009

Sl. No.	Date	Committee Strength	No. of Members present
1	9th April, 2008	3	3
2	15th May, 2008	3	3
3	12th June, 2008	4	4
4	10th July, 2008	4	4
5	4th August, 2008	4	4
6	28th August, 2008	4	4
7	24th September, 2008	4	4
8	4th November, 2008	4	4
9	25th November, 2008	4	3
10	22nd December, 2008	4	3
11	4th February, 2009	4	3
12	2nd March, 2009	4	4

Attendance at Corporate Management Committee Meetings held during the financial year

Member	No. of meetings attended
Jehangir J. Ghadiali	12
Atul Kumar*	10
Ghanshyam Arora	9
Sidhartha Roy**	10
Raghupati Wahi***	2

* Ceased to be a Member w.e.f. 31st December, 2008.

** Appointed as a Member w.e.f. 2nd June, 2008.

*** Appointed as a Member w.e.f. 28th January, 2009.

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 financial year ended 31st March, 2009 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, information relating to shareholding pattern, compliance with corporate governance norms etc. 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 Directors, senior management and employees of the Company. The 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, 2009.

New Delhi
5th May, 2009

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	Monday, 31st August, 2009
Venue	Air Force Auditorium Subroto Park New Delhi-110 010
Time	9.30 a.m.
Book Closure Dates	Tuesday, 18th August, 2009 to Monday, 31st August, 2009 (both days inclusive)
Dividend Payment Date	On or after 5th September, 2009

Registrar & Share Transfer Agents (RTA)

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

Address for Correspondence

MCS Limited
F-65, 1st Floor
Okhla Industrial Area, Phase - I,
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 were no share transfers pending as on 31st March, 2009. The Committee met 23 times during the financial year.

The Share Transfer Committee comprises the following :

Mr. Raghupati Wahi 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 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 Shares under the Depository System is INE 262B01016. The annual custody fee for the financial year 2009-10 has been paid to NSDL and CDSL, the Depositories.

As on 31st March, 2009, 72,22,127 Shares of the Company constituting 90.34% of the subscribed and paid-up Share Capital stand dematerialised. The processing activities with respect to requests received for dematerialisation are completed within 15 days.

Shareholder / Investor Complaints

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.

The Company received 3 share related complaints during the financial year ended 31st March, 2009, which translate to 0.24% of the total number of Shareholders of the Company. The said complaints have been resolved.

Nature of Complaint	Nos.	%
Non receipt of Share Certificates	1	33
Non receipt of Dividend	2	67
Total	3	100

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, 2009

No. of Shares Slab	No. of Shareholders		No. of Equity Shares	
	Total	% to Shareholders	Total	% to Share Capital
1-500	11,789	94.65	11,85,668	14.83
501-1000	361	2.90	2,84,564	3.56
1001-2000	161	1.29	2,27,214	2.84
2001-3000	50	0.40	1,26,038	1.58
3001-4000	17	0.14	63,499	0.79
4001-5000	23	0.18	1,10,950	1.39
5001-10000	28	0.22	2,06,184	2.58
10001-50000	17	0.14	3,81,085	4.77
50001-100000	4	0.04	2,95,662	3.70
100001 & above	5	0.04	51,13,636	63.96
Total	12,455	100.00	79,94,500	100.00

Categories of Shareholders as on 31st March, 2009

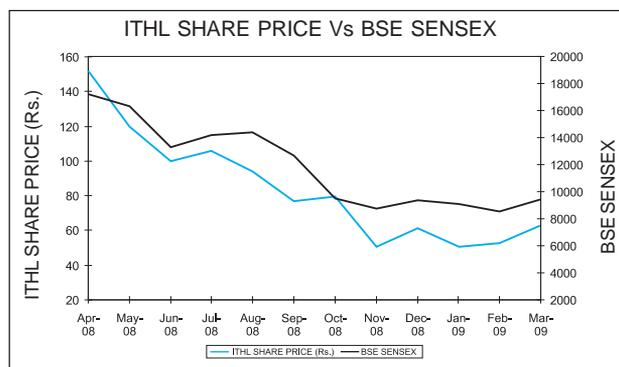
Sl. No.	Category	No. of Shares held	% to Share holding
A	Promoters Holding		
1	Indian Promoters		
	ITC Limited	2,87,600	3.60
	Russell Credit Limited	36,26,638	45.36
2	Persons acting in Concert		
	Russell Investments Limited	10,17,663	12.73
	Sub Total	49,31,901	61.69
B	Non Promoter Holding		
3	Institutional 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	6,11,547	7.65
b	Indian Public	22,79,745	28.52
c	NRIs / OCBs	1,61,707	2.02
d	Any Other	9,100	0.11
	Sub Total	30,62,099	38.31
	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.)	
2008	April	165.00	125.20	84,100	
	May	156.00	118.00	1,12,128	
	June	124.70	96.40	83,476	
	July	107.00	86.75	48,195	
	August	112.00	90.00	1,12,369	
	September	99.70	66.05	41,295	
	October	83.95	49.00	35,484	
	November	82.00	47.50	54,463	
	December	68.00	48.85	92,382	
	2009	January	72.95	49.05	58,285
		February	64.60	48.00	32,070
		March	65.00	47.50	59,081

Note – There was no trading in the Company's Shares on the Delhi Stock Exchange during the financial year 2008-09.

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 2009-2010 has been paid to the Stock Exchanges.

International Travel House Limited

SHAREHOLDER INFORMATION

Financial Calendar

Financial Year 2009-2010		
1	First Quarter Results	July 2009
2	Second Quarter and Half-Year Results	October 2009
3	Third Quarter Results	January 2010
4	Fourth Quarter and Annual Results	May 2010

Particulars of past three AGMs

AGM	Financial Year	Venue	Date	Time	Special Resolution(s) Passed
27th	2007-08	Air Force Auditorium Subroto Park New Delhi Pin - 110 010	21-08-08	9.30 a.m.	<ul style="list-style-type: none"> Appointment of Mr. Jehangir J. Ghadiali as the Managing Director of the Company.
26th	2006-07		18-09-07		
25th	2005-06		28-09-06		<ul style="list-style-type: none"> Alteration of Articles of Association Extension of term of Mr. Anil Bhandari as Managing Director

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 (final) 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
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
2007-2008	21st August, 2008	25th September, 2015

* It will not be possible to entertain claims received by the Company after 27th August, 2009.

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 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 and 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, 2009

Your Directors submit their Report for the financial year ended 31st March, 2009.

Financial Performance

Your Company recorded an income of Rs.78.96 crores registering a marginal growth over last year. Pre-tax profits at Rs.13.45 crores and Post-tax profits at Rs. 8.19 crores registered de-growth over last year. Your Company earned Rs. 9.07 crores in foreign exchange and utilised foreign exchange of Rs.0.04 crores and the 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/- per Equity Share of Rs.10/- each for the year ended 31st March, 2009, involving a cash outflow of Rs. 2.81 crores including Dividend Distribution Tax of Rs.0.41 crores. Your Board further recommends a transfer to the General Reserve of Rs.0.82 crores (previous year Rs. 1.05 crores). Consequently, your Board recommends leaving an unappropriated balance in Profit & Loss Account of Rs.40.36 crores (previous year Rs.35.80 crores).

Business Operations

In retrospect, the financial year 2008-09 has been a very difficult one. As against over 9 per cent growth of GDP last year, this year's estimates are a growth of 6.1 per cent, a considerable drop from the previous year.

The financial year commenced with soaring fuel prices resulting in escalated air fares and a consequent drop in demand for air travel. While petroleum prices dropped marginally by the middle of the year, there was a lag in passing on the price reduction to the airlines and a further time lag before airlines reduced their 'fuel surcharge'. By this time, the global financial recession, termed by economists as a 'melt-down', had begun taking its toll and the corporate sector drastically cut its expenditure on travel. The last quarter of the financial year 2008-09 was marked by

a slowdown in business unlike anything seen for a very long time. While some industries, particularly the Housing & Real Estate Industry and export oriented industries like IT, garments, textiles, diamond polishing etc., were directly affected by the global melt-down and the resultant credit squeeze, others suffered from the ripple effect. A negative prognosis further dampened an already weak economic sentiment, resulting in most companies engaging in significant cost cutting. This was reflected in a curtailment of travel expenses on all fronts, in turn impacting airline bookings, hotel bookings and car rentals negatively. To make matters worse, the events of 26/11 at Mumbai had a lingering effect in the latter part of the financial year.

Foreign visitor arrivals into India have shrunk, particularly in the last two quarters. Hotels and airlines across India are reporting a drastic fall in demand levels. In the January-March 2009 quarter, domestic airlines have reported a fall of 12 per cent year on year.

The year was also marked by most airlines changing their business models when it came to compensating travel agents. They abandoned the age-old commission structure, and instead encouraged travel agencies to charge a transaction fee. This had a negative effect on your Company's revenue and profitability from this segment.

The Car Rental business was hardest hit since it depends almost entirely upon the corporate sector. A minor reduction in fuel tariffs gave a measure of relief but it was too little, too late. Fixed costs are being rationalised and a more aggressive sales stance is being adopted to counter the drop.

With the revamping of the MICE Division, your Company wrested last minute contracts from competitors for arranging accommodation and transport for five conventions held in Delhi / Mumbai during the last quarter. The Division also contracted with a Germany based international MICE event organiser to be their 'Sole Official Travel Agent and

International Travel House Limited

REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2008

Conference Manager' for four major international exhibitions to be held in India during September / October 2009.

Despite overseas arrivals during the period January-February 2009 falling 13.8% year on year, your Company's efforts to break into the Israeli market finally bore fruit and the first tranche of inbound tourists arrived in February with a promise of more to follow in 2009-10. As regards outbound leisure business, significant successes were achieved in securing large group movements to Langkawi and Dubai.

Awards & Recognition

During the year under review, your Company received the following awards from Hospitality India and Explore the World :

- Best Car Rental Company in India, 2008.
- Best Corporate Travel Company in India, 2008.

Your Company also received performance and excellence awards from premier airlines like Austrian Airlines, British Airways, Swiss, KLM, Air France, Lufthansa German Airlines, Kenya Airways, Continental Airlines, Cathay Pacific, Singapore Airlines, Korean Airlines, Kingfisher and Jet Airways.

Your Company continues to be the only ISO 9001 certified travel company in India and its certification has been revalidated for the third time until February, 2012.

Human Resource Development

Our people are our biggest asset and we are proud of our team members at all levels within your Company. Organisational values are at the heart of everything ITH employees do, both collectively and as individuals.

Your Directors recognise manpower as being amongst the key drivers of the business of your Company and place on record their sincere appreciation of the

teamwork and dedication of all employees working across all its locations.

Directors

Mr Anil Baijal was appointed as an Additional Director of the Company with effect from 28th January, 2009. As per the provisions of Section 260 of the Companies Act, 1956, read with Article 130 of the Articles of Association of the Company, Mr Baijal would vacate office at the forthcoming Annual General Meeting and being eligible, offers himself for appointment.

Mr S. S. H. Rehman relinquished his Directorship and Chairmanship from the Board of Directors of the Company at the close of business hours on 20th March, 2009. The Board places on record its sincere appreciation and gratitude for the services rendered by Mr Rehman during his long tenure.

The Board, in pursuance of Article 157 of the Articles of Association of the Company, appointed Mr Nakul Anand as the Chairman of the Board of Directors of your Company effective 21st March, 2009.

In accordance with the provisions of Article 143 of the Articles of Association of the Company, Mr Nakul Anand and Mr Anil Rajput will retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offer themselves for re-appointment.

Particulars of Employees

The Particulars of Employees as required to be disclosed in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended, are annexed to the Report of the Directors. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at

International Travel House Limited

REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2008

the Registered Office of the Company. The Annexure is also available for inspection by Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting.

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

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, is annexed.

The Audit Committee of the Company reviewed the financial statements for the year under review at its meeting held on 5th May, 2009 and recommended them for the approval of the Board of Directors.

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

The Indian economy is expected to stabilise by end September 2009 and estimates of GDP growth during financial year 2009-10 hover around 5 per cent.

Your Company is undertaking various measures to not only recoup lost business once the economy stabilises but to also widen its reach. It is expected that corporate travel, in particular, should pick up during the last two quarters of the financial year 2009-10.

Some large outbound leisure contracts have been finalised with a few organisations and many more are being negotiated. Your Company has set itself ambitious targets in this regard. Inbound Leisure business is, obviously, dependent upon the economic situations prevailing within the source markets. Bearing this in mind, your Company is attempting to source business from those countries that have been less affected by the global melt-down.

On behalf of the Board

Place : New Delhi Jehangir J. Ghadiali S.C. Sekhar
Dated : 5th May, 2009 Managing Director 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 2009, 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.

for S.R. Batliboi & Associates
Chartered Accountants

per Yogesh Midha
Partner

Membership No. 94941

Place : Gurgaon

Date : 5th May, 2009

International Travel House Limited

CEO AND CFO CERTIFICATION

UNDER CLAUSE 49 (V) OF THE LISTING AGREEMENT

We, Jehangir J. Ghadiali, Managing Director and Raghupati Wahi, 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, 2009 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, 2009 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 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 any employee having a significant role in the Company's internal control system over financial reporting.

New Delhi
5th May, 2009

Jehangir J. Ghadiali
Managing Director

Raghupati Wahi
Chief Financial Officer

International Travel House Limited

BALANCE SHEET

AS AT 31st MARCH, 2009

	Schedule	As at 31st March, 2009		As at 31st March, 2008	
		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>59,02,69,735</u>	67,02,14,735	<u>53,64,85,131</u>	61,64,30,131
2. Loan Funds					
Secured Loans	3		5,58,75,003		9,15,06,633
3. Deferred Tax Liabilities (Net)	4		<u>77,16,208</u>		<u>1,08,81,438</u>
TOTAL			<u>73,38,05,946</u>		<u>71,88,18,202</u>
II. APPLICATION OF FUNDS					
1. Fixed Assets					
a) Gross Block	5	56,41,79,106		56,05,09,933	
b) Less: Accumulated Depreciation / Amortisation		<u>28,11,03,410</u>		<u>25,11,87,430</u>	
c) Net Block		28,30,75,696		30,93,22,503	
d) Capital Advances		<u>26,00,889</u>	28,56,76,585	<u>1,40,45,394</u>	32,33,67,897
2. Investments	6		19,74,68,957		2,50,00,000
3. Current Assets, Loans and Advances					
a) Sundry Debtors	7	45,00,22,208		63,16,02,756	
b) Cash and Bank Balances	8	10,24,34,770		8,14,99,799	
c) Other Current Assets	9	5,28,967		4,29,891	
d) Loans and Advances	10	<u>6,14,29,666</u>		<u>4,63,27,822</u>	
		<u>61,44,15,611</u>		<u>75,98,60,268</u>	
Less: Current Liabilities & Provisions					
a) Current Liabilities	11	32,23,95,774		35,05,75,390	
b) Provisions	12	<u>4,13,59,433</u>		<u>3,88,34,573</u>	
		<u>36,37,55,207</u>		<u>38,94,09,963</u>	
Net Current Assets			<u>25,06,60,404</u>		<u>37,04,50,305</u>
TOTAL			<u>73,38,05,946</u>		<u>71,88,18,202</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.

Per our report of even date

for S. R. Batliboi & Associates
Chartered Accountants

On behalf of the Board of Directors

per Yogesh Midha
Partner
Membership No. 94941

Jehangir J. Ghadiali
Managing Director

S. C. Sekhar
Director

Janaki Aggarwal
Company Secretary

Place : Gurgaon
Date : 5th May, 2009

Place : New Delhi
Date : 5th May, 2009

International Travel House Limited

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH, 2009

	Schedule	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
		Rupees	Rupees	Rupees	Rupees
I. INCOME					
Income from Services Rendered	13		78,96,43,635		78,83,76,243
Other Income	14		1,73,98,982		3,26,18,903
			<u>80,70,42,617</u>		<u>82,09,95,146</u>
II. EXPENDITURE					
Employees' Remuneration and Welfare Expenditure	15		21,95,25,942		20,90,77,582
Operating and Other Expenses	16		34,96,32,723		34,43,97,632
Depreciation / Amortisation	5		9,54,90,989		8,71,86,208
Interest	17		78,83,093		94,61,753
			<u>67,25,32,747</u>		<u>65,01,23,175</u>
III. PROFIT					
Profit Before Tax			13,45,09,870		17,08,71,971
Tax Expense / (Income) :					
Current (Includes Rs. Nil in respect of Earlier Years. Previous Year Rs.84,00,000/-)		4,71,47,000		6,78,60,000	
Deferred (Includes Rs. Nil in respect of Earlier Years. Previous Year Rs.84,00,000/-)		(31,65,230)		(1,10,65,112)	
Fringe Benefit		<u>86,84,000</u>	<u>5,26,65,770</u>	<u>86,60,000</u>	<u>6,54,54,888</u>
Profit After Taxation			8,18,44,100		10,54,17,083
Profit Brought Forward			<u>35,80,09,459</u>		<u>29,11,93,872</u>
Available for Appropriation			<u>43,98,53,559</u>		<u>39,66,10,955</u>
IV. APPROPRIATION					
General Reserve			81,85,000		1,05,42,000
Proposed Dividend			2,39,83,500		2,39,83,500
Tax on Proposed Dividend			40,75,996		40,75,996
Profit Carried Forward			<u>40,36,09,063</u>		<u>35,80,09,459</u>
			<u>43,98,53,559</u>		<u>39,66,10,955</u>
Basic and Diluted Earnings Per Share (Face value of Rs. 10/- each)	18		10.24		13.19
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.

Per our report of even date

for S. R. Batliboi & Associates
Chartered Accountants

On behalf of the Board of Directors

per Yogesh Midha
Partner
Membership No. 94941

Jehangir J. Ghadiali
Managing Director

S. C. Sekhar
Director

Janaki Aggarwal
Company Secretary

Place : Gurgaon
Date : 5th May, 2009

Place : New Delhi
Date : 5th May, 2009

International Travel House Limited

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2009

	For the year ended 31st March, 2009 Rupees	For the year ended 31st March, 2008 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	13,45,09,870	17,08,71,971
Adjustments for :		
Depreciation	9,54,90,989	8,71,86,208
Profit on Sale of Fixed Assets (Net)	(50,60,657)	(61,29,740)
Advances Written off	2,03,491	-
Provision for Doubtful Debts	5,44,758	17,11,604
Interest Expenses	78,83,093	94,61,753
Loss on Sale of Unquoted Non-Trade Current Investments	-	1,18,621
Profit on Sale of Unquoted Non-Trade Long Term Investments	(25,86,750)	(13,98,456)
Interest Income	(3,12,351)	(53,66,828)
Income from Investments - Dividends	(36,20,731)	(37,92,143)
Liabilities no longer required Written Back	(56,90,378)	(1,32,49,968)
Unrealised Foreign Exchange Loss/(Gain)	62,410	(7,41,068)
Provision for Wealth Tax	38,432	89,000
Operating Profit Before Working Capital Changes	22,14,62,176	23,87,60,954
Adjustments for :		
Decrease/(Increase) in Sundry Debtors	18,10,35,790	(7,42,67,467)
(Increase)/Decrease in Loan and Advances	(13,74,276)	8,68,076
(Increase)/Decrease in Current Liabilities and Provisions	(3,15,21,658)	1,34,41,816
Cash Generated from Operations	36,96,02,032	17,88,03,379
Direct Taxes Paid :		
Advance Income Tax	(6,13,62,059)	(5,82,97,316)
Fringe Benefit Tax	(84,00,000)	(1,10,50,000)
Wealth Tax	(84,657)	(84,830)
Net Cash Flow from Operating Activities (A)	29,97,55,316	10,93,71,233
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(7,04,52,521)	(12,41,03,754)
Sale of Fixed Assets	1,77,13,501	1,16,25,713
Purchase of Investments	(48,36,32,374)	(2,50,00,000)
Proceeds from Sale of Investments	31,37,50,167	8,72,24,117
Interest Received	2,13,275	53,37,181
Dividend Received	36,20,731	37,92,143
Net Cash Used in Investing Activities (B)	(21,87,87,221)	(4,11,24,600)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Vehicle Loans	2,08,43,353	1,61,52,860
Repayment of Vehicle Loans	(5,64,74,983)	(7,68,22,127)
Dividend Paid	(2,35,22,766)	(2,37,77,695)
Corporate Dividend Tax Paid	(40,75,996)	(40,75,996)
Interest Paid	(78,83,093)	(94,61,753)
Net Cash used in Financing Activities (C)	(7,11,13,485)	(9,79,84,711)

International Travel House Limited

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2009

	For the year ended 31st March, 2009 Rupees	For the year ended 31st March, 2008 Rupees
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	98,54,610	(2,97,38,078)
Add : Opening Cash and Cash Equivalents	5,35,49,648	8,25,46,658
Closing Cash and Cash Equivalents	<u>6,34,04,258</u>	<u>5,28,08,580</u>
Cash and Cash Equivalents include :		
Cash and Cheques on hand	3,28,03,434	3,55,29,575
With Scheduled Banks:		
On Current Accounts	2,09,53,873	4,21,00,955
Fixed Deposit Receipts with Bank	4,54,79,000	11,31,540
On Dividend Account (refer note 3 below)	31,98,463	27,37,729
Cash and Bank Balances as per Schedule 8	<u>10,24,34,770</u>	<u>8,14,99,799</u>
Book Overdraft as per Schedule 11	<u>(3,90,92,922)</u>	<u>(2,79,50,151)</u>
Total Cash and Cash Equivalents	<u>6,33,41,848</u>	<u>5,35,49,648</u>
Unrealised Loss/(Gain) on Foreign Currency Cash and Cash Equivalents	62,410	(7,41,068)
Net Cash and Cash Equivalents in Cash Flow Statement	<u>6,34,04,258</u>	<u>5,28,08,580</u>

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 notified by Companies (Accounting Standards) Rules, 2006.
- Figures in brackets indicate cash outgo.
- Cash and Cash Equivalents include Rs.31,98,463/- (Previous Year Rs.27,37,729/-) which are not available for use by the Company.
- Cash and Cash Equivalents comprises cash and cheques on hand, cash at bank and short term investment with an original maturity of three months and less.
- 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.

for S. R. Batliboi & Associates
Chartered Accountants

On behalf of the Board of Directors

per Yogesh Midha
Partner
Membership No. 94941

Jehangir J. Ghadiali
Managing Director

S. C. Sekhar
Director

Janaki Aggarwal
Company Secretary

Place : Gurgaon
Date : 5th May, 2009

Place : New Delhi
Date : 5th May, 2009

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
SCHEDULE I		
SHARE 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
2,00,000 (Previous Year 2,00,000) 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	<u>8,00,00,000</u>	<u>8,00,00,000</u>
Subscribed and Paid Up		
79,94,500 (Previous Year 79,94,500)		
Equity Shares of Rs.10/- each fully Paid Up	<u>7,99,45,000</u>	<u>7,99,45,000</u>
	<u>7,99,45,000</u>	<u>7,99,45,000</u>

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2009 Rupees		As at 31st March, 2008 Rupees	
SCHEDULE 2				
RESERVES AND SURPLUS				
Capital Reserve		31,52,525		31,52,525
General Reserve				
As per last Balance Sheet	5,67,63,917		4,62,21,917	
Add : Transfer from Profit and Loss Account	<u>81,85,000</u>	6,49,48,917	<u>1,05,42,000</u>	5,67,63,917
Securities Premium Account		11,85,59,230		11,85,59,230
Profit and Loss Account		<u>40,36,09,063</u>		<u>35,80,09,459</u>
		<u>59,02,69,735</u>		<u>53,64,85,131</u>

SCHEDULE 3

SECURED LOANS

From Banks				
Vehicle Loans*		5,07,56,097		7,48,82,252
(Secured by hypothecation over vehicles except for Rs. Nil (Previous Year Rs.1,00,05,000/-), which is secured against advances given for vehicles costing Rs. Nil (Previous Year Rs.1,00,09,605/-) yet to be received as at the year end)				
From Others				
Vehicle Loans*		51,18,906		1,66,24,381
(Secured by hypothecation over vehicles)				
		<u>5,58,75,003</u>		<u>9,15,06,633</u>

* Due within one year Rs.3,30,58,071/-
(Previous Year Rs.5,32,84,468/-)

SCHEDULE 4

DEFERRED TAX LIABILITIES (Net)

Deferred Tax Liabilities

- On Depreciation		1,84,51,022		2,19,60,616
		<u>1,84,51,022</u>		<u>2,19,60,616</u>
Less: Deferred Tax Assets				
- On Provision for Doubtful Debts	31,49,157		48,25,480	
- On Provision for Leave Encashment	29,77,801		27,40,961	
- On Provision for Gratuity & Pension	8,27,871		3,10,505	
- On Provision for Bonus	31,35,735		26,25,683	
- On Others	<u>6,44,250</u>	1,07,34,814	<u>5,76,549</u>	1,10,79,178
Net Deferred Tax Liabilities		<u>77,16,208</u>		<u>1,08,81,438</u>

SCHEDULES TO THE ACCOUNTS

SCHEDULE 5

FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
	As at 01.04.2008	Additions	Withdrawals/ Adjustments	As at 31.03.2009	Upto 01.04.2008	For the Year	On With- drawals/ Adjustments	Upto 31.03.2009	As at 31.03.2008	As at 31.03.2009
(Rupees)										
Tangible Assets										
Building	2,83,45,370	-	-	2,83,45,370	44,27,502	4,62,030	-	48,89,532	2,34,55,838	2,39,17,868
Air Conditioners	83,00,923	2,38,410	2,83,610	82,55,723	25,29,512	3,91,519	34,700	28,86,331	53,69,392	57,71,411
Furniture and Fixtures	1,71,82,774	3,61,229	24,09,516	1,51,34,487	82,07,672	10,23,490	6,10,264	86,20,898	65,13,589	89,75,102
Office Equipments	1,68,88,146	9,38,287	14,78,318	1,63,48,115	51,08,790	12,27,600	7,38,350	55,98,040	1,07,50,075	1,17,79,356
Vehicles - Commercial	38,75,69,117	7,46,68,610	6,03,27,460	40,19,10,267	17,08,38,338	7,49,10,403	5,15,72,905	19,41,75,836	20,77,34,431	21,67,30,779
Vehicles - Non Commercial	1,66,08,474	84,012	32,62,877	1,34,29,609	90,09,481	25,89,853	23,50,804	92,48,530	41,81,079	75,98,993
Computers	4,93,36,077	34,25,468	66,26,712	4,61,34,833	3,18,31,368	53,93,351	65,09,886	3,07,14,833	1,54,20,000	1,75,04,709
Improvements to Rented / Leased Premises	2,46,97,299	2,36,524	38,39,360	2,10,94,463	1,31,56,813	77,39,111	37,58,100	1,71,37,824	39,56,639	1,15,40,486
Intangible Assets										
Computer - Software	1,15,81,753	19,44,486	-	1,35,26,239	60,77,954	17,53,632	-	78,31,586	56,94,653	55,03,799
Capital Advances	56,05,09,933	8,18,97,026	7,82,27,853	56,41,79,106	25,11,87,430	9,54,90,989	6,55,75,009	28,11,03,410	28,30,75,696	30,93,22,503
TOTAL	57,45,55,327	8,28,75,026	9,06,50,358	56,67,79,995	25,11,87,430	9,54,90,989	6,55,75,009	28,11,03,410	28,56,76,585	32,33,67,897
Previous Year	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	32,33,67,897	

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
SCHEDULE 6		
INVESTMENTS		
Unquoted - Long Term Investments - Non Trade (At Cost)		
A. INVESTMENTS IN MUTUAL FUNDS		
Reliance Fixed Horizon Fund IV - Annual Plan - Series I - Institutional Growth Plan Current Year Nil (Previous Year 25,00,000) Units of Rs. 10/- 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 (At lower of cost or market value)		
Sundaram BNP Paribas Money Fund Institutional - Daily Dividend - Reinvestment 50,76,231.408 (Previous Year Nil) Units of Rs. 10.0953 each	5,12,46,079	-
GFBD IDFC Money Manager Fund - Treasury Plan - Plan B - Daily Dividend 44,68,585.842 (Previous Year Nil) Units of Rs. 10.0703 each	4,50,00,000	-
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend 1,00,90,502.763 (Previous Year Nil) Units of Rs. 10.0315 each.	10,12,22,878	-
	<u>19,80,56,957</u>	<u>2,55,88,000</u>
Less : Provision for Diminution in Value of Equity Shares	5,88,000	5,88,000
	<u>19,74,68,957</u>	<u>2,50,00,000</u>
Aggregate Amount of Unquoted Investments	19,74,68,957	2,50,00,000
Repurchase Price of Mutual Fund Units, represented by Net Asset Value	19,74,68,957	2,50,00,000
During the year the following Current Investments were Purchased and Sold :		
	No. of Units	Cost
1. HDFC Liquid Fund - Daily Dividend	-	-
2. Templeton Treasury Management Account Institutional Plan - Daily Dividend	-	-
3. HDFC FMP 90 Days - Wholesale Plan Dividend - Pay Out	-	-
4. SBNPP Money Fund Institutional - Daily Dividend Reinvestment	1,94,73,734.904	19,53,47,117
5. Principal Floating Rate FMP - Daily Dividend Reinvestment Plan	-	-
6. Templeton Quarterly Interval Plan - Plan B Institutional - Dividend Payout	-	-
7. Templeton India Money Market Account - Regular Account Dividend Reinvestment	-	-
8. HDFC Cash Management Fund-Saving Plus Plan - Wholesale - Weekly Dividend Reinvestment	-	-
	59,10,896.431	6,02,80,504
	20,206.729	2,02,11,781
	35,00,000.000	3,50,00,000
	70,72,352.603	7,07,94,401
	85,71,302.730	8,57,19,849
	29,96,913.179	3,00,00,000
	52,14,479.510	5,02,14,480
	25,13,131.798	2,52,22,031

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

		As at 31st March, 2009 Rupees		As at 31st March, 2008 Rupees
	No. of Units	Cost	No. of Units	Cost
9. J M High Liquidity Fund - Institutional Plan				
- Daily Dividend	15,01,359.468	1,50,37,466	-	-
10. J M Fixed Maturity Fund Series XII Quarterly Plan				
-I- Institutional Dividend Plan	20,42,645.884	2,04,26,458	-	-
11. SBNPP Liquid Plus Super Institutional Plan				
- Daily Dividend Reinvestment Plan	55,21,434.019	5,53,52,376	-	-

SCHEDULE 7

SUNDRY DEBTORS

(Unsecured)

Debts outstanding for a period exceeding six months

Considered Good	2,91,19,146	2,31,29,582
Considered Doubtful	90,61,462	1,41,96,763
Other Debts - Considered Good	42,09,03,062	60,84,73,174
	<u>45,90,83,670</u>	<u>64,57,99,519</u>
Less : Provision for Doubtful Debts	90,61,462	1,41,96,763
	<u>45,00,22,208</u>	<u>63,16,02,756</u>

SCHEDULE 8

CASH AND BANK BALANCES

Cash and Cheques on hand*	3,28,03,434	3,55,29,575
With Scheduled Banks		
On Current Accounts	2,09,53,873	4,21,00,955
On Fixed Deposits	4,54,79,000	11,31,540
On Dividend Account	31,98,463	27,37,729
	<u>10,24,34,770</u>	<u>8,14,99,799</u>

* (Includes Cheques on hand amounting to Rs. 2,75,94,378/-
Previous year Rs. 2,80,56,271/-)

SCHEDULE 9

OTHER CURRENT ASSETS

(Unsecured - Considered Good)

Interest accrued on Fixed Deposits	5,28,967	4,29,891
	<u>5,28,967</u>	<u>4,29,891</u>

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
SCHEDULE 10		
LOANS AND ADVANCES		
(Unsecured - Considered Good)		
Advances recoverable in cash or in kind or for value to be received	1,97,92,919	1,77,62,486
Sundry Deposits	1,90,89,055	1,95,06,522
Service Tax (Input) Credit Receivable	41,01,647	45,43,828
Advance Income Tax (Net of Provisions of Rs. 4,71,47,000/-, Previous Year Rs. 5,94,60,000/-)	1,76,98,527	34,83,468
Advance Fringe Benefit Tax (Net of Provisions of Rs. 86,84,000/-, Previous Year Rs. 86,60,000/-)	7,47,518	10,31,518
	<u>6,14,29,666</u>	<u>4,63,27,822</u>

SCHEDULE 11

CURRENT LIABILITIES

Sundry Creditors		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	27,63,09,318	31,40,08,709
Unclaimed Dividend (Shall be transferred to Investor Education and Protection Fund when due)	31,98,463	27,37,729
Book Overdraft	3,90,92,922	2,79,50,151
Other Liabilities	37,95,071	58,78,801
	<u>32,23,95,774</u>	<u>35,05,75,390</u>

SCHEDULE 12

PROVISIONS

Provision for Wealth Tax		55,080		1,01,305
Provision for Retirement Benefits				
Gratuity & Pension*	25,88,631		9,13,520	
Leave Encashment	87,60,815		80,64,021	
Medical	18,95,411	1,32,44,857	16,96,231	1,06,73,772
Proposed Dividend		2,39,83,500		2,39,83,500
Tax on Proposed Dividend		40,75,996		40,75,996
		<u>4,13,59,433</u>		<u>3,88,34,573</u>

* Includes Rs. 2,37,966/- (Previous Year Rs. Nil) on account of debit for seconded staff from associate company.

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

	For the year ended 31st March, 2009 Rupees	For the year ended 31st March, 2008 Rupees
SCHEDULE 13		
INCOME FROM SERVICES RENDERED		
Commission :		
Air Passage	13,59,75,814	13,60,39,919
Hotel Reservation	7,26,328	10,60,789
Shopping	72,67,986	1,15,10,552
Management Fees	4,14,57,465	3,32,44,706
Traveller's Cheques	8,446	13,744
Tours	2,10,07,520	2,70,15,085
Transport (Net)	53,28,69,584	53,55,03,744
Foreign Exchange	1,58,74,677	1,51,92,404
Other Services	3,44,55,815	2,87,95,300
	<u>78,96,43,635</u>	<u>78,83,76,243</u>

SCHEDULE 14

OTHER INCOME

Interest on Bank Deposits (Gross)*	3,12,351	6,99,812
Interest Others	-	46,67,016
Dividend on Unquoted Non Trade Current Investments	36,20,731	37,92,143
Liabilities Written Back	56,90,378	1,32,49,968
Profit on Sale of Unquoted Non Trade Long Term Investments	25,86,750	13,98,456
Profit on Fixed Assets Sold / Discarded (Net)	50,60,657	61,29,740
Insurance Claim Received	-	11,81,495
Miscellaneous Income	1,28,115	15,00,273
	<u>1,73,98,982</u>	<u>3,26,18,903</u>

* Tax deducted at source Rs. 43,930/- (Previous Year Rs. 1,08,244/-)

SCHEDULE 15

EMPLOYEES' REMUNERATION AND WELFARE EXPENDITURE

Salaries, Wages and Bonus	16,25,48,497	15,37,59,849
Contribution to Provident and Other Funds	1,08,86,373	1,17,22,710
Workmen and Staff Welfare Expenses	4,60,91,072	4,35,95,023
	<u>21,95,25,942</u>	<u>20,90,77,582</u>

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE 16				
OPERATING AND OTHER EXPENSES				
Car Fuel, Oil & Lubricants		7,35,87,866		6,53,57,175
Rent		2,43,57,173		2,36,03,001
Rates and Taxes		87,46,940		78,06,664
Travelling and Conveyance		1,26,42,005		1,65,62,128
Motor Vehicle Expenses		61,92,686		49,86,608
Postage, Telephone, Fax and Cellphones		1,87,21,331		1,88,50,736
Electricity Expenses		1,02,08,177		88,32,359
Insurance		71,08,987		97,86,537
Repair and Maintenance - Commercial Cars		3,93,84,309		3,95,61,496
Repair and Maintenance - Others		1,11,00,570		1,07,12,279
Service Charges		10,17,27,317		9,87,61,590
Directors' Fees		2,45,000		2,40,000
Business Promotion & Marketing Expenses		35,92,026		50,41,644
Printing and Stationery		1,11,09,187		1,16,07,298
Auditors' Remuneration				
Audit Fees		13,00,000		10,00,000
Tax Audit	2,60,000		2,00,000	
Limited Review Fees	760,000		6,00,000	
Out of Pocket Expenses	2,59,651		1,39,000	
Certification	60,000	26,39,651	60,000	19,99,000
Legal and Professional Charges		88,49,484		95,80,822
Advertisement		27,75,848		26,01,935
Subscription		16,77,539		16,85,310
Advances Written off		2,03,491		-
Provision for Doubtful Debts		5,44,758		17,11,604
Bank Charges		12,79,358		12,18,024
Loss on Sale of Current Unquoted Non Trade Investments		-		1,18,621
Miscellaneous Expenses		29,39,020		37,72,801
		<u>34,96,32,723</u>		<u>34,43,97,632</u>
SCHEDULE 17				
INTEREST				
On Bank Overdraft		5,18,205		2,33,516
On Term Loans				
Banks		61,56,313		69,08,822
Others		12,08,575		23,19,415
		<u>78,83,093</u>		<u>94,61,753</u>

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

	For the year ended 31st March, 2009 Rupees	For the year ended 31st March, 2008 Rupees
SCHEDULE 18		
EARNINGS PER SHARE		
(a) Profit after Taxation	8,18,44,100	10,54,17,083
(b) Weighted average number of Equity Shares	79,94,500	79,94,500
(c) Basic and diluted earnings per share in Rupees (Face Value - Rs.10/- per Share)	10.24	13.19

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 and applicable Accounting Standards in India. A summary of important accounting policies is set out below. The financial statements have also been prepared in accordance with 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 cost of acquired Computer Software.

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.

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 fund.

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

- ii. Gratuity liability, Post Employment Medical Benefit liability and Pension 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 Liabilities / 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. **Investment Income**
Investment income is recognized, when it is declared by the investee and right to receive is established.
- h. **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.
- i. **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.
- j. **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.
- k. **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.
- l. **Operating Leases**
Lease rentals are recognised as expense on a straight-line basis over the term of the lease.
- m. **Segment Reporting**
To identify segments based on the dominant source and nature of risks and returns and the internal organisation and management structure.

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

n. 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.

o. 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 (till 20/03/2009)

Mr. Nakul Anand

Mr. Jehangir J. Ghadiali

Mr. Anil Rajput

Mr. H. P. Ranina

Mr. S. C. Sekhar

Mr. K. L. Thapar

Mr. O. P. Vaish

Mr. Anil Bajjal (w.e.f. 28/01/2009)

Corporate Management Committee Members

Mr. Atul Kumar (till 31/12/2008)

Mr. Raghupati Wahi (w.e.f. 28/01/2009)

Mr. Ghanshyam Arora

Mr. Sidharth Roy (w.e.f. 02/06/2008)

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	66,05,11,794	69,43,93,327	-	-	-	-
- Others	-	-	-	-	8,13,494	-
Purchase of Goods and Services						
- ITC Limited	75,89,984	1,02,47,735	-	-	-	-
- Others	-	-	-	-	6,88,188*	6,89,450*
Rent						
- ITC Limited	66,97,850	60,75,132	-	-	-	-
Directors' Fees						
- Mr. K.L. Thapar	-	-	72,500	77,500	-	-
- Mr. O.P. Vaish	-	-	70,000	85,000	-	-
- Mr. H.P. Ranina	-	-	67,500	77,500	-	-
- Mr. Anil Bajjal	-	-	15,000	-	-	-
Dividend Paid						
- ITC Limited	8,62,800	8,62,800	-	-	-	-
- Russell Credit Limited	1,08,79,914	1,08,79,914	-	-	-	-
- Others	-	-	-	-	300	300
Balance outstanding as at the year end :						
Accounts Receivable						
- ITC Limited	5,42,04,318	7,77,25,210	-	-	-	-
Sundry Creditors						
- ITC Limited	23,09,496	20,87,893	-	-	-	-
- Others	-	-	-	-	47,195	1,12,518
Deposit Paid						
- ITC Limited	4,18,000	8,27,100	-	-	-	-
Remuneration paid/payable during the year						
- Mr. Jehangir J. Ghadiali (As Senior Executive Vice President)	-	-	-	18,22,158#	-	-
(As Managing Director)	-	-	32,82,286	3,81,287	-	-
- Mr. Anil Bhandari (till 16/02/2008)	-	-	-	36,53,567	-	-
- Mr. Atul Kumar (till 31/12/2008)	-	-	23,79,102#	28,29,061#	-	-
- Mr. Raghupati Wahi (w.e.f. 28/01/2009)	-	-	6,78,543#	-	-	-
- Mr. Ghanshyam Arora	-	-	22,62,968	19,16,321	-	-
- Mr. Sidharth Roy (w.e.f. 02/06/2008)	-	-	17,59,468	-	-	-
- Mr. Arvind Sinha (till 23/05/2007)	-	-	-	5,05,037	-	-

* 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, 2009 Rupees	For the year ended 31st March, 2008 Rupees
ii. Expenditure in Foreign Currency (on payment basis)		
Subscription, Entrance Fees, Travel etc.	3,63,935	18,59,086
iii. Earnings in Foreign Currency		
Receipts from Travel & Tours	3,42,95,767	5,52,88,293
Receipt by way of Car Rental Services	5,64,49,443	6,74,43,241
Total	<u>9,07,45,210</u>	<u>12,27,31,534</u>
iv. Value of Imports during the Year (C.I.F Basis)		
Capital Goods (Cars)	<u>3,07,96,625</u>	<u>4,52,42,093</u>
v. Directors' Remuneration		
Salary and Allowances	25,25,219	35,89,114
Other Perquisites	3,96,701	1,55,753
Contribution to Provident and other Funds	3,60,366	2,89,987
Total	<u>32,82,286</u>	<u>40,34,854</u>

SCHEDULES TO THE ACCOUNTS

Defined Benefit Plan / Long Term Compensated Absences-as per Actuarial Valuation as on 31st March, 2009 and recognised in the financial statements in respect for Employee Benefit Schemes:

	Pension		Gratuity		Leave		Medical	
	Funded		Funded		Encashment		Unfunded	
	Rupees							
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
a) Components of Employer Expense								
1. Current Service Cost	16,62,023	17,09,205	15,95,079	13,52,602	22,28,611	16,56,430	2,92,770	1,61,648
2. Interest Cost	14,32,708	17,70,252	6,25,541	6,18,676	5,04,001	4,51,672	1,18,736	1,21,809
3. Expected Return on Plan Assets	(19,70,512)	(10,48,505)	(7,34,085)	(4,29,643)	-	-	-	-
4. Actuarial Losses / (Gains)	(9,16,128)	(9,76,200)	9,20,200	4,37,569	11,10,631	20,42,375	(2,04,826)	(1,09,842)
5. Total Expense recognised in the Statement of Profit & Loss Account	2,08,091	14,54,752	24,06,735	19,79,204	38,43,243	41,50,477	2,06,680	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	1,54,158	10,48,505	6,29,132	5,39,111	-	-	-	-
c) Net Asset/ (Liability) recognised in Balance Sheet								
1. Present Value of Defined Benefit Obligation	2,18,29,503	2,04,67,254	1,06,25,547	89,36,306	87,60,815	72,00,019	18,95,411	16,96,231
2. Fair Value on Plan Assets	2,18,29,503	2,04,67,254	82,74,882	80,22,786	-	-	-	-
3. Status [Surplus / (Deficit)]	-	-	(23,50,665)	(9,13,520)	(87,60,815)	(72,00,019)	(18,95,411)	(16,96,231)
4. Net Asset / (Liability) recognised in Balance Sheet	-	-	(23,50,665)	(9,13,520)	(87,60,815)	(72,00,019)	(18,95,411)	(16,96,231)
d) Change in Defined Benefit Obligations (DBO) during the year ended								
1. Present Value of DBO at the Beginning of Period	2,04,67,254	2,21,28,147	89,36,306	77,12,326	72,00,019	56,30,477	16,96,231	15,22,616
2. Current Service Cost	16,62,023	17,09,205	15,95,079	13,52,602	22,28,611	16,56,430	2,92,770	1,61,648
3. Interest Cost	14,32,708	17,70,252	6,25,541	6,18,676	5,04,001	4,51,672	1,18,736	1,21,809
4. Actuarial (Gains) / Losses	(17,32,482)	(9,76,200)	8,15,247	5,47,037	11,10,631	20,42,375	(2,04,826)	(1,09,842)
5. Benefits Paid	-	(41,64,150)	(13,46,626)	(12,94,335)	(22,82,447)	(25,80,935)	(7,500)	-
6. Present Value of DBO at the End of Period	2,18,29,503	2,04,67,254	1,06,25,547	89,36,306	87,60,815	72,00,019	18,95,411	16,96,231

International Travel House Limited

SCHEDULES TO THE ACCOUNTS

i) 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.

j) The impact on service cost, interest cost and projected benefit obligations due to one percent point increase or decrease of medical costs is Rs. Nil as the benefits are subject to monetary limits.

k) Contributions expected to be made in plans in the next year will be disclosed as soon as it can be reasonably determined.

vii. 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.

c. Income tax demand of Rs.10,31,903/- for assessment year 2006-07 for which Company has gone to Commissioner of Income Tax (Appeal).

viii. 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. Management is confident that the same is recoverable either through the process of law or from the said customers.

ix. Capital commitments (net of capital advances) Rs.Nil (Previous Year Rs.6,75,370/-).

x. 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 information available with the Company there are no principle/ interest amounts due to micro and small enterprises.

xi. The Company's significant leasing arrangements are in respect of operating leases for premises. These leasing arrangements which are primarily not non-cancellable 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 31 st March, 2009 Rupees	As at 31 st March, 2008 Rupees
Minimum Lease Payments :		
Not later than one year	4,23,360	6,30,000
Later than one year and not later than five years	-	-

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 / re-arranged wherever necessary.

As per our report of even date

Signature to Schedules I to 19

For S. R. Batliboi & Associates
Chartered Accountants

On behalf of the Board of directors

Per Yogesh Midha
Partner
Membership No.: 94941

Jehangir J. Ghadiali
Managing Director

S. C. Sekhar
Director

Janaki Aggarwal
Company Secretary

Place: Gurgaon
Date: 5th May, 2009

Place : New Delhi
Date : 5th May, 2009

International Travel House Limited

AUDITORS' REPORT TO THE MEMBERS

1. We have audited the attached Balance Sheet of International Travel House Limited ('the Company') as at 31st March, 2009 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 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) 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, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 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, 2009 ;
 - 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 Yogesh Midha

Partner

Place : Gurgaon

Date : 5th May, 2009

Membership No. 94941

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 ('the Company')

- (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 provisions of Clause 4(ii)(a), (b) and (c) of the Companies (Auditor's Report) Order, 2003 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 Clause 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 Clause 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) Based on the audit procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered into register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(v)(a) and (b) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (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, customs duty, service tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident

International Travel House Limited

ANNEXURE TO THE AUDITORS' REPORT

fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, sales-tax, 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. The provisions relating to excise duty are not applicable to the Company.

- (c) According to the information and explanations given to us, the dues outstanding of income tax, wealth tax, service tax, custom duty and cess which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax demand on various disallowances	Rs.1,54,06,435/- (Rs. 30,00,000/- has been paid, pending assessment)	Assessment Year 2006-07	Commissioner of Income Tax (Appeals), New Delhi

- (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 has no outstanding dues in respect of a financial institution or debenture holders.
- (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 Companies (Auditor's Report) Order, 2003 (as ammended) 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 Companies (Auditor's Report) Order, 2003 (as amended) 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 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.

International Travel House Limited

ANNEXURE TO THE AUDITORS' REPORT

- (xx) The Company has not raised money by 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.

for S.R. Batliboi & Associates
Chartered Accountants

Place : Gurgaon
Date : 5th May, 2009

per Yogesh Midha
Partner
Membership No. 94941

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

N . A .

Bonus Issue

N . A .

Rights Issue

N . A .

Private Placement

N . A .

III. Position of Mobilization and Deployment of Funds (amount in Rs. Thousands)

Total Liabilities

1 0 9 7 5 6 1

Total Assets

1 0 9 7 5 6 1

Sources of Funds

Paid up Capital

7 9 9 4 5

Secured Loans

5 5 8 7 5

Deferred Tax

7 7 1 6

Reserves & Surplus

5 9 0 2 7 0

Unsecured Loans

N . A .

Application of Funds

Net Fixed Assets

2 8 5 6 7 7

Net Current Assets

2 5 0 6 6 0

Accumulated Losses

N . A .

Investments

1 9 7 4 6 9

Misc. Expenditure

N . A .

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

Turnover*

8 0 7 0 4 3

Total Expenditure

6 7 2 5 3 3

* Includes Other Income

+ / -

Profit / Loss Before Tax

1 3 4 5 1 0

+ / -

Profit / Loss After Tax

8 1 8 4 4

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

Earnings Per Share in Rs.

1 0 . 2 4

Dividend Rate %

3 0

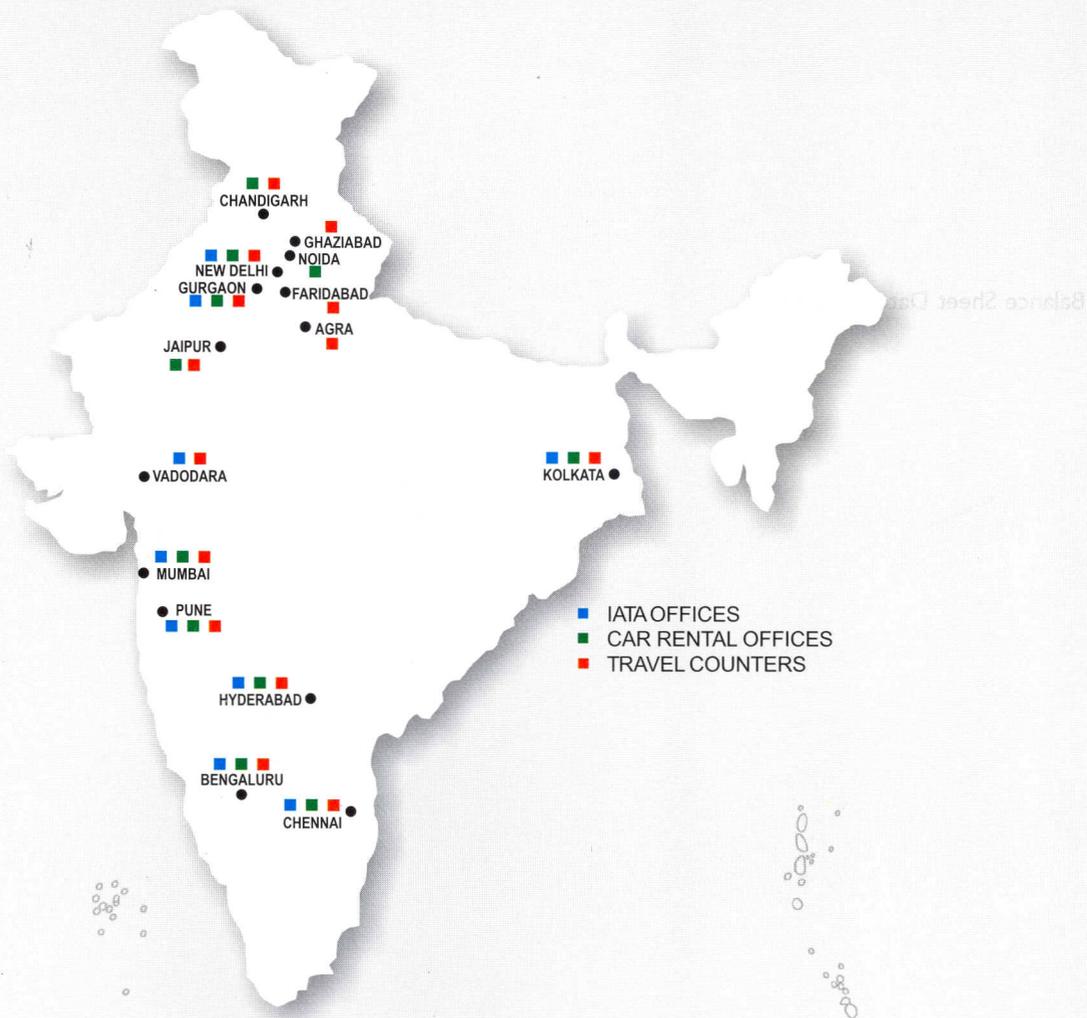
V. Generic names of three principal products / services of Company (as per monetary terms)

Item Code No. N . A .

Product Description

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

TRAVEL HOUSE NETWORK



10 IATA Offices, 13 Car Rental offices and 20 Travel Counters

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

Fortune Hotels
JP Cosmos
Cunningham Road
Bengaluru - 560 052
Tel: 080 - 39884422

CHENNAI
Sheraton Chola
10, Cathedral Road
Chennai - 600 086
Tel: 044 - 42175555

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

FARIDABAD
Hotel Claridges
Shooting Range Road
Surajkund
Faridabad -121 001
Tel: 0129 - 4109000

GHAZIABAD
Country Inn & Suites
64/6, Site 4, Sahibabad
Ghaziabad (U.P.)
Tel: 0120 - 3988444

GURGAON
Fortune Select Global
Mehrauli - Gurgaon Road
Gurgaon - 122 022
Tel: 0124 - 3255666

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 Halden Avenue
Kolkata - 700 046
Tel: 033 - 23004017

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 - 24101010

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

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

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

The Park
15, Parliament Street
New Delhi - 110 001
Tel: 011 - 43581435

NOIDA
Hotel Fortune Inn
Block - 1, Plot No. 1A
Grazia, Sector - 27, Noida
Tel: 0120 - 3988444

VADODARA
WelcomHotel Vadodara
RC 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

NEW DELHI

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

BENGALURU-II

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

PUNE

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

CHENNAI

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

VADODARA

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

GURGAON

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

HYDERABAD

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

KOLKATA

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

MUMBAI

287/14, Millsquare
Dr E Borges Road
Parel
Mumbai - 400 012
Tel: 022 - 40774077

CAR RENTAL OFFICES

BENGALURU-I

85, Sheriff House
Richmond Road
Bengaluru - 560 025
Tel: 080 - 41477788

KOLKATA

ITC Centre
37, J L Nehru Road
Kolkata - 700 071
Tel: 033 - 40013150-51

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 East
Mumbai - 400 072
Tel: 022 - 67896000

BENGALURU-III

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

MUMBAI-II

287/14, Millsquare
Dr. E Borges Road
Parel
Mumbai - 400 012
Tel: 022 - 40774071-72

CHANDIGARH

SCO No. 48-49
Sector 9 D
Chandigarh - 160 009
Tel: 0172 - 4689701-06

NEW DELHI

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

CHENNAI

Sheraton Chola
10, Cathedral Road
Chennai - 600 086
Tel: 044 - 42088413

NOIDA

9 & 10, Lower Ground Floor
Ansal Fortune Arcade
Sector 18
Noida - 201 301
Tel: 0120 - 4218711-16

GURGAON

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

PUNE

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

HYDERABAD

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

INTERNATIONAL TRAVEL HOUSE LIMITED

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

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