

Board of Directors

P. P. MADHAVJI _____ Chairman

M. L. APTE

H. S. BILLIMORIA

M. G. BHIDE

B. PARANJAPE

U. ZIERKE

L. PORTER _____ (Alternate to Mr. U. Zierke)

I. G. SHAHANI _____ Executive Director

J. D. KETKAR _____ Executive Director &
Company Secretary

Auditors

A. F. Ferguson & Co.

Solicitors

Crawford Bayley & Co.

Principal Bankers

The Hongkong & Shanghai Banking Corporation Ltd.

ANZ Grindlays Bank plc.

State Bank of Bikaner & Jaipur

State Bank of India

Registered Office

Thomas Cook Building

Dr. Dadabhai Naoroji Road

Mumbai - 400 001



DIRECTORS' REPORT

To the members:

Your Directors have pleasure in presenting the Twentieth Annual Report, together with the Balance Sheet and Profit and Loss Account for the year ended 31st December, 1996.

The Company has produced encouraging results during the year ending 31st December, 1996, despite keen competition affecting all the areas of the Company's activities.

| | Jan./Dec. (1996) | Jan./Dec. (1995) |
|------------------------------------|---------------------|---------------------|
| | (Rupees in lakhs) | |
| Profit before Taxation | 2499.22 | 2043.06 |
| Provision for Taxation | 1100.00 | 940.00 |
| Profit after Taxation | 1364.56 | 1086.00 |
| Transferred to Reserve U/S. 80 HHD | 150.00 | 175.00 |
| Transferred to General Reserve | 1000.00 | 800.00 |
| Proposed Dividend (Subject to Tax) | 288.75 | 262.50 |

All the core activities of the Company fared well during the period. The liberalisation policies continued to have a favourable impact on the Company's business. However, the activities of the newly licensed Full-Fledged Money Changers have increased the level of competition, thereby affecting the Company's overall foreign exchange operations.

During the year the Company embarked on a massive expansion plan to widen its geographical base in India. A Foreign Exchange Office was opened at Jalandhar in the northern state of Punjab and foreign exchange counter at Calcutta International Airport was opened. Full-Fledged offices were inaugurated at Saltlec in Calcutta and the Indian Institute of Science at Bangalore and with this your Company is now operating through its 37 locations in 13 cities of India.

Your Company was awarded the first prize, all India, for the year 1995-96 for Investor Friendliness and excellent Corporate Reporting of Investors' Grievances Forum, Mumbai.

Your Company has also once again won the National Tourism Award for the highest earnings in Foreign Exchange in Category II. These awards are presented annually in recognition of outstanding performance in foreign exchange earnings, by the Department of Tourism, Government of India.

Your Company has recently tied-up with Cunard Cruise Lines and have been appointed as their GSA's in India. This tie-up further reaffirms our focus on Leisure Travel bringing their world class cruises on luxury liners, which include the famous QE2 and Royal

Vikingsun, to the Indian market.

Your Company has been appointed by the world's largest holiday resort, Club Med as their selling agent in Western & Southern India. This is a significant step in providing quality holiday products to leisure travellers in this region.

Dividend:

Your Directors are pleased to declare a dividend of 55%. The dividend absorbs Rs. 2,88,75,000/-.

General Reserve:

Your Directors have resolved to transfer Rs 10,00,00,000/- to General Reserve out of the profits of the Company. In view of the transfers, the reserves have increased to Rs. 43,08,82,636/- as at 31st December, 1996.

Capitalisation of Reserves:

Your Directors are pleased to recommend Capitalisation of Reserves by issue of 35,00,000 shares for 52,50,000 shares held i.e. bonus issue in the ratio of 2:3. This is basically to adjust the disparity between the paid-up capital of Rs.525.0 lakhs and the distributable reserves of Rs.4308.8 lakhs as at 31st December, 1996. After the capitalisation of reserves, the paid-up capital will be Rs. 875.0 lakhs.

Directors:

Mr S. V. Naik ceased to be the Director of the Company effective 27th September, 1996 and in his place Mr M. G. Bhide has been appointed as nominee of State Bank of India and designated as Deputy Chairman of the Company.

In accordance with Article 131 of the Articles of Association of the Company, Mr M. L. Apte and Mr J. D. Ketkar retire by rotation and being eligible, offer themselves for re-election.

Foreign Exchange Earnings/Expenditure:

The foreign exchange earnings during the year amounts to Rs. 15.94 crores.

During the year, the Company has incurred expenditure in foreign currencies towards interest and bank charges as well as travelling for promotional activities, subscriptions, etc. as disclosed as per Schedule "M", Note 7.

Auditors:

The retiring Auditors M/s A. F. Ferguson & Co., do not offer themselves for re-appointment. The Company has received a Special Notice in writing from a member proposing the appointment of Lovelock & Lewes, Chartered Accountants, as Auditors of the Company in the

place and stead of A. F. Ferguson & Co., Chartered Accountants until the conclusion of the next Annual General Meeting.

Auditors' Report:

With reference to the Auditors' comments:

(A) In paragraph 2(d) of their Report and to Note 1(a) of Schedule "M" annexed as Notes to the Accounts as at 31st December, 1996, in respect of the investigations carried out by the Enforcement Directorate in 1979, two Show Cause Notices dated 12th June, 1987, have been issued by the Enforcement Directorate. The allegations contained in the Show Cause Notices are being disputed by the Company.

(B) In para 2(d) of their Report and Note 1(b) of Schedule "M" annexed as Notes to the Accounts as at 31st December, 1996, in respect of the investigations carried out by the Enforcement Directorate during 1985, a Show Cause Notice dated 12th November, 1986, has been issued by the Enforcement Directorate. The allegations contained in the Show Cause Notice are being disputed by the Company.

(C) In para 2(d) of their Report and Note 2 of Schedule "M" annexed as Notes to the Accounts as at 31st December, 1996, two Show Cause Notices both dated 4th April, 1995 were issued by the Enforcement Directorate. Based on adjudication proceedings an order dated 28th June, 1996 was issued by the Enforcement Directorate. The Company has filed an appeal disputing the order, with the Foreign Exchange Regulation Appellate Board on 9th August, 1996. The Company has also disputed the allegations contained in two notices dated 29th February, 1996 issued by the Enforcement Directorate.

Subsidiary Companies:

The audited Statement of Accounts along with the Directors' Report of Thomas Cook Tours Ltd., India Alive Tours Ltd., Indian Horizon Travel & Tours Ltd. and Hindustan Cargo Ltd. for the year ended 31st December, 1996, are separately attached as required under the provisions of Section 212 of the Companies Act, 1956.

Employees:

Relations with the employees continued to be cordial throughout

the year. Your Directors place on record the appreciation of the effort and dedication of the employees in producing encouraging results during the year under review. Keeping in line with the Company's Policy, it continues to place great emphasis on training programmes for all round development of the Staff at all levels. Your Company has been actively concentrating on development of human resources, which is a prime asset for its substantial growth.

Information pursuant to Section 217 of the Companies Act, 1956:

The particulars required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per Section 219(1) (b) (iv) of the Companies Act, 1956, the Report and Accounts is being sent to all shareholders of the Company excluding the above Statement. Any shareholder interested in

obtaining a copy of the said Statement may write to the Secretary at the Registered Office of the Company.

The matters specified in Section 217 of the Companies Act, 1956, to the extent to which they are applicable to our Company, are incorporated in this Report.

BY ORDER OF THE BOARD

P. P. MADHAVJI

Chairman

Mumbai

Dated : 17th March, 1997

Report of the Auditors to the Members of Thomas Cook (India) Limited on the Accounts for the year ended 31st December, 1996

We have audited the attached balance sheet of Thomas Cook (India) Limited as at 31st December, 1996 and also the profit and loss account of the Company for the year ended on that date, annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent to which they are applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph 1 above :
 - (a) we have obtained all the information and explanations which to the

best of our knowledge and belief were necessary for the purposes of our audit;

- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
- (c) the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account and returns;
- (d) in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956 in the

manner so required, and subject to any liability pursuant to the notices received under the Foreign Exchange Regulation Act, 1973 given the position stated in notes 1 and 2 on Schedule "M", give a true and fair view;

- (A) in the case of the balance sheet, of the state of affairs of the Company as at 31st December, 1996;
and
- (B) in the case of the profit and loss account, of the profit of the Company for the year ended on that date.

For A. F. FERGUSON & CO.
Chartered Accountants

Y. M. KALE
Partner

Mumbai
Dated : 17th March, 1997



Annexure to the Report of the Auditors to the Members of Thomas Cook (India) Limited on the Accounts for the year ended 31st December, 1996

(Referred to in paragraph 1 thereof)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets are physically verified by the management once in a year which in our opinion is reasonable and no material discrepancies were noticed on such verification carried out during the year.
2. None of the fixed assets have been revalued during the year.
3. The Company has not taken any loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, and/or from the companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
4. The Company has not granted any loans to companies, firms

or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or to the companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.

5. In respect of loans or advances in the nature of loans given by the Company, the principal amounts and interest where applicable have been recovered as stipulated, except for the interest free loans and advances to a subsidiary where no stipulations have been made for the recovery of the principal amounts.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of equipment and other assets.
7. According to the information and explanations given to us, there are no sales of services made in pursuance of contracts or arrangements

entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs 50,000/- or more in respect of each party.

8. The Company has not accepted any deposits from the public to which the provisions of section 58A of the Companies Act, 1956 or the rules framed thereunder would apply.
9. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
10. According to the records of the Company, provident fund and Employees' State Insurance dues have been regularly deposited during the year with the appropriate authorities.
11. According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales tax and customs duty were outstanding as at 31st December, 1996 for a period of more than six months from the date they became payable.

12. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.

13. The service activities of the Company are such that the question of recording receipts, issues and consumption of materials and stores and allocation of materials and manhours consumed to the relative job does not arise. Consequently, the authorisation and control on the issue of

stores and allocation of stores and labour to jobs are not applicable.

For A. F. FERGUSON & CO.
Chartered Accountants

Y. M. KALE
Partner

Mumbai,
Dated : 17th March, 1997



Balance Sheet as at 31st December, 1996

| | REF SCH. | As at 31st December, 1996 Rs | As at 31st December, 1995 Rs |
|---|-------------|------------------------------------|------------------------------------|
| I. SOURCES OF FUNDS : | | | |
| SHAREHOLDERS' FUNDS : | | | |
| Share capital | A | 5,25,00,000 | 5,25,00,000 |
| Reserves and surplus | B | 43,08,82,636 | 32,32,97,679 |
| | | <u>48,33,82,636</u> | <u>37,57,97,679</u> |
| LOAN FUNDS : | | | |
| Secured loans | C | 14,37,58,709 | 13,44,07,910 |
| Unsecured loans | D | 8,68,38,672 | 8,41,74,406 |
| | | <u>23,05,97,381</u> | <u>21,85,82,316</u> |
| TOTAL : | | <u>71,39,80,017</u> | <u>59,43,79,995</u> |
| II. APPLICATION OF FUNDS: | | | |
| FIXED ASSETS : | | | |
| Gross block | | 32,07,40,139 | 17,07,71,757 |
| Less : Depreciation | | 6,13,74,294 | 4,98,55,031 |
| Net block | E | 25,93,65,845 | 12,09,16,726 |
| Advances for capital expenditure | | 78,14,794 | 39,48,808 |
| | | <u>26,71,80,639</u> | <u>12,48,65,534</u> |
| INVESTMENTS | F | 25,00,090 | 25,00,090 |
| CURRENT ASSETS, LOANS AND ADVANCES : | | | |
| Sundry debtors | G1 | 16,46,20,556 | 14,55,43,310 |
| Cash and bank balances | G2 | 55,18,83,984 | 56,44,20,312 |
| Loans and advances | G3 | 9,43,36,122 | 6,63,81,567 |
| | | <u>81,08,40,662</u> | <u>77,63,45,189</u> |
| LESS : CURRENT LIABILITIES AND PROVISIONS : | | | |
| Current liabilities | H1 | 33,76,66,374 | 28,30,80,818 |
| Provisions | H2 | 2,88,75,000 | 2,62,50,000 |
| | | <u>36,65,41,374</u> | <u>30,93,30,818</u> |
| NET CURRENT ASSETS | | <u>44,42,99,288</u> | <u>46,70,14,371</u> |
| TOTAL : | | <u>71,39,80,017</u> | <u>59,43,79,995</u> |

Notes - see schedule "M"

Per our report attached

For A. F. FERGUSON & CO.
Chartered Accountants

Y. M. KALE
Partner

Mumbai
Dated : 17th March, 1997

P. P. MADHAVJI — CHAIRMAN

I. G. SHAHANI — EXECUTIVE DIRECTOR

J. D. KETKAR — EXECUTIVE DIRECTOR &
COMPANY SECRETARY

Mumbai
Dated : 17th March, 1997

**PROFIT &
LOSS
ACCOUNT**

Profit and Loss Account for the year ended 31st December, 1996

| | REF SCH. | Year ended 31st December, 1996 Rs | Year ended 31st December, 1995 Rs |
|--|-------------|---|---|
| INCOME : | | | |
| Income from services rendered | I | 52,47,09,596 | 43,25,64,247 |
| Other income | J | 1,71,40,751 | 1,31,57,198 |
| TOTAL INCOME : | | 54,18,50,347 | 44,57,21,445 |
| EXPENDITURE : | | | |
| Personnel expenses | K | 8,80,02,516 | 7,01,99,823 |
| Other expenses | L | 18,75,76,849 | 15,70,13,274 |
| Depreciation | E | 1,63,48,567 | 1,42,02,381 |
| TOTAL EXPENDITURE : | | 29,19,27,932 | 24,14,15,478 |
| Profit before taxation and earlier year adjustments | | 24,99,22,415 | 20,43,05,967 |
| Less : — Reversal of incentive commission on travellers cheques in respect of an earlier year | | 19,96,352 | — |
| — Gratuity contribution in respect of earlier years | | 14,66,106 | — |
| — Provision for bonus in respect of earlier years | | — | 17,02,389 |
| Net profit before taxation | | 24,64,59,957 | 20,26,03,578 |
| Provision for taxation | | 11,00,00,000 | 9,40,00,000 |
| Profit after taxation | | 13,64,59,957 | 10,86,03,578 |
| Transferred to reserve as required under section 80HHD of the Income-tax Act, 1961 | | 1,50,00,000 | 1,75,00,000 |
| | | 12,14,59,957 | 9,11,03,578 |
| Add : Transferred from reserve created under section 80HHD of the Income-tax Act, 1961 | | 42,00,000 | 65,00,000 |
| | | 12,56,59,957 | 9,76,03,578 |
| Balance brought forward from last year | | 2,22,11,700 | 3,08,58,122 |
| Amount available for appropriations | | 14,78,71,657 | 12,84,61,700 |
| Less : appropriations | | | |
| Proposed dividend (subject to tax) | | 2,88,75,000 | 2,62,50,000 |
| Transferred to general reserve | | 10,00,00,000 | 8,00,00,000 |
| Balance carried to balance sheet | | 1,89,96,657 | 2,22,11,700 |

Notes - see schedule "M"

Per our report attached to the Balance Sheet

For A. F. FERGUSON & CO.
Chartered Accountants

Y. M. KALE
Partner

Mumbai
Dated : 17th March, 1997

P. P. MADHAVJI — CHAIRMAN
I. G. SHAHANI — EXECUTIVE DIRECTOR
J. D. KETKAR — EXECUTIVE DIRECTOR &
COMPANY SECRETARY

Mumbai
Dated : 17th March, 1997



Schedules forming part of the balance sheet as at 31st December, 1996

| | Rs | As at 31st December, 1996 Rs | As at 31st December, 1995 Rs |
|---|--------------|------------------------------------|------------------------------------|
| SCHEDULE "A" : SHARE CAPITAL : | | | |
| Authorised : | | | |
| 2,00,00,000 Equity shares of Rs 10/- each | | 20,00,00,000 | 20,00,00,000 |
| Issued and subscribed : | | | |
| 52,50,000 Equity shares of Rs 10/- each fully paid-up | | 5,25,00,000 | 5,25,00,000 |
| (of the above, 2,79,993 Equity shares of Rs 10/- each, fully paid-up, have been allotted to Thomas Cook Overseas Limited, U.K. for consideration other than cash) | | | |
| [includes 45,50,000 Equity shares issued as fully paid-up bonus shares by capitalisation of general reserve and capital reserve] | | | |
| SCHEDULE "B" : RESERVES AND SURPLUS : | | | |
| Capital reserve : | | | |
| Balance as per last balance sheet (profit on re-issue of forfeited shares) | — | | 3,500 |
| Less : capitalised for issue of bonus shares | — | | 3,500 |
| | | — | — |
| Reserve as required under Section 80HHD of the Income-tax Act, 1961 : | | | |
| Balance as per last balance sheet | 8,72,00,000 | | 7,62,00,000 |
| Add : transferred from profit and loss account | 1,50,00,000 | | 1,75,00,000 |
| | 10,22,00,000 | | 9,37,00,000 |
| Less : transferred to profit and loss account | 42,00,000 | | 65,00,000 |
| | | 9,80,00,000 | 8,72,00,000 |
| General reserve : | | | |
| Balance as per last balance sheet | 21,38,85,979 | | 15,48,82,479 |
| Less: capitalised for issue of bonus shares | — | | 2,09,96,500 |
| | 21,38,85,979 | | 13,38,85,979 |
| Add: transferred from profit and loss account | 10,00,00,000 | | 8,00,00,000 |
| | | 31,38,85,979 | 21,38,85,979 |
| Balance in profit and loss account | | 1,89,96,657 | 2,22,11,700 |
| | | 43,08,82,636 | 32,32,97,679 |
| SCHEDULE "C" : SECURED LOANS : | | | |
| Overdraft from banks | | 14,37,58,709 | 13,44,07,910 |
| (Secured by hypothecation of book debts, stock of currencies and paid documents) | | | |
| SCHEDULE "D" : UNSECURED LOANS : | | | |
| Overdraft from banks | | 7,21,06,378 | 7,81,44,531 |
| From Deutsche Bank AG, Frankfurt, Germany (temporary overdraft in normal course of business) | | 1,00,53,900 | 60,29,875 |
| From First Chicago International Bank, USA (temporary overdraft in normal course of business) | | 35,23,135 | — |
| From Credit Suisse, Zurich (temporary overdraft in normal course of business) | | 11,55,259 | — |
| | | 8,68,38,672 | 8,41,74,406 |

Schedule forming part of the balance sheet as at 31st December, 1996

SCHEDULE "E" : FIXED ASSETS

| | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | | |
|------------------------|---|--|-------------------------------------|---|---|--------------------------|-----------------------------|---|--|--|
| Details | Cost as at 31st December, 1995 Rs | Additions during the year Rs | Disposal/ Adjust- ments Rs | Cost as at 31st December, 1996 Rs | Upto 31st December, 1995 Rs | For the year Rs | On Deduc- tions Rs | Upto 31st December, 1996 Rs | As at 31st December, 1996 Rs | As at 31st December, 1995 Rs |
| Leasehold properties | 10,38,885 | 5,70,302 | — | 16,09,187 | 7,62,197 | 77,256 | — | 8,39,453 | 7,69,734 | 2,76,688 |
| Freehold premises # | 5,29,36,076 | 12,56,66,795 | — | 17,86,02,871 | 37,13,697 | 10,10,250 | — | 47,23,947 | 17,38,78,924 | 4,92,22,379 |
| Strong room | 4,43,252 | — | — | 4,43,252 | 2,63,773 | 28,058 | — | 2,91,831 | 1,51,421 | 1,79,479 |
| Furniture and fixtures | 3,30,91,259 | 66,02,315 | 4,47,975 | 3,92,45,599 | 96,42,722 | 23,61,464 | 1,31,042 | 1,18,73,144 | 2,73,72,455 | 2,34,48,537 |
| Computers | 4,35,29,824 | 1,11,84,353 | 40,20,492 | 5,06,93,685 | 2,53,85,758 | 91,84,586 | 32,56,247 | 3,13,14,097 | 1,93,79,588 | 1,81,44,066 |
| Office equipment | 2,77,96,371 | 57,28,869 | 6,66,588 | 3,28,58,652 | 68,63,297 | 15,73,049 | 2,97,525 | 81,38,821 | 2,47,19,831 | 2,09,33,074 |
| Vehicles | 1,19,36,090 | 70,75,935 | 17,25,132 | 1,72,86,893 | 32,23,587 | 21,13,904 | 11,44,490 | 41,93,001 | 1,30,93,892 | 87,12,503 |
| GRAND TOTAL | 17,07,71,757 | 15,68,28,569 | 68,60,187 | 32,07,40,139 | 4,98,55,031 | 1,63,48,567 | 48,29,304 | 6,13,74,294 | 25,93,65,845 | 12,09,16,726 |
| Previous year | 14,32,17,615 | 2,98,95,960 | 23,41,818 | 17,07,71,757 | 3,72,28,363 | 1,42,02,381 | 15,75,713 | 4,98,55,031 | 12,09,16,726 | |

NOTE : # Freehold premises cost, includes :

- Rs 500 towards share application money in respect of premises in Wallace Apartments Co-operative Premises Society Limited.
- Rs 2,040 towards share application money in respect of premises in Silver Arch Mutual Co-operative Housing Society Limited.
- 5 Shares of Rs 50/- each, fully paid-up in Torana Co-operative Housing Society Limited.
- 10 Shares of Rs 50/- each, fully paid-up in Kapasi Co-operative Housing Society Limited.
- 10 Shares of Rs 50/- each, fully paid-up in Kakad Chambers Office and Business Premises Co-operative Society Limited.
- 10 Shares of Rs 50/- each, fully paid-up in Kempas Corner Co-operative Housing Society Limited.
- 10 Shares of Rs 100/- each, fully paid-up in Sunayan Members' Association.
- Rs 4,43,249 in respect of premises where the Company is yet to be admitted as a member of the co-operative society;
- Rs 33,33,218 in respect of premises on freehold land where the Company is yet to be registered as the owner of a proportionate share in the land;
- Rs 12,56,26,670 in respect of premises where a co-operative society is yet to be formed.

and

Schedules forming part of the balance sheet as at 31st December, 1996

| | As at 31st December, 1996 Rs | As at 31st December, 1995 Rs |
|---|------------------------------------|------------------------------------|
| SCHEDULE "F" : INVESTMENTS (Long-term) : | | |
| Investments in subsidiary companies at cost (unquoted) : | | |
| India Alive Tours Limited | | |
| 3 Equity shares of Rs 10/- each fully paid-up | 30 | 30 |
| Indian Horizon Travel and Tours Limited | | |
| 3 Equity shares of Rs 10/- each fully paid-up | 30 | 30 |
| Thomas Cook Tours Limited | | |
| 3 Equity shares of Rs 10/- each fully paid-up | 30 | 30 |
| Hindustan Cargo Limited | | |
| 2,50,000 Equity shares of Rs 10/- each fully paid-up | 25,00,000 | 25,00,000 |
| | <u>25,00,090</u> | <u>25,00,090</u> |

| | As at 31st December, 1996 | | As at 31st December, 1995 | |
|---|------------------------------|---------------------|------------------------------|---------------------|
| | Over 6 months Rs | Others Rs | Over 6 months Rs | Others Rs |
| SCHEDULE "G1": SUNDRY DEBTORS : | | | | |
| (unsecured considered good unless otherwise stated) | | | | |
| I. DEBTS DUE FROM BODIES CORPORATE UNDER THE SAME MANAGEMENT : | | | | |
| Thomas Cook Travel Services (HK) Ltd. | — | 1,83,084 | — | 93,862 |
| Thomas Cook (Philippines) Inc. | — | — | 21,225 | — |
| The Thomas Cook Group Ltd. | — | 5,64,842 | — | 10,01,201 |
| Thomas Cook Overseas Ltd., Sri Lanka | — | 2,58,349 | — | 78,610 |
| Thomas Cook Travel Service(S) Pte Ltd. | — | — | — | 1,65,011 |
| Thomas Cook Group (Canada) Ltd. | — | 45,300 | — | — |
| Thomas Cook Travellers Cheques Ltd., Germany | — | 51,578 | — | — |
| II. OTHER DEBTS : | | | | |
| Considered good | 1,43,30,674 | 14,91,86,729 | 1,37,15,664 | 13,04,67,737 |
| Considered doubtful | 54,59,875 | 3,86,374 | 32,08,576 | — |
| | <u>1,97,90,549</u> | <u>15,06,76,256</u> | <u>1,69,45,465</u> | <u>13,18,06,421</u> |
| Less : provision for doubtful debts | 54,59,875 | 3,86,374 | 32,08,576 | — |
| | <u>1,43,30,674</u> | <u>15,02,89,882</u> | <u>1,37,36,889</u> | <u>13,18,06,421</u> |
| TOTAL DEBTORS | <u>16,46,20,556</u> | | <u>14,55,43,310</u> | |

Schedules forming part of the balance sheet as at 31st December, 1996

| | Rs | As at 31st December, 1996 Rs | As at 31st December, 1995 Rs |
|---|--------------|------------------------------------|------------------------------------|
| SCHEDULE "G2" : CASH AND BANK BALANCES : | | | |
| Cash and cheques on hand | | 15,19,21,841 | 13,55,81,389 |
| (including foreign currencies-notes and paid documents) | | | |
| Remittances in transit: | | | |
| Foreign currencies - Notes and paid documents | 24,26,18,364 | | 32,43,15,429 |
| Less : provision for lost remittances | — | | 3,40,599 |
| | | 24,26,18,364 | 32,39,74,830 |
| Balances with scheduled banks : | | | |
| On current account | | 7,28,58,869 | 6,03,15,874 |
| On fixed deposit | | 5,00,000 | 5,00,000 |
| Balances with non-scheduled banks | | | |
| On current account with | | | |
| — First Chicago International Bank, USA | | — | 4,09,47,373 |
| [maximum balance during the year Rs 25,30,38,309 (previous year Rs 15,48,94,147)] | | | |
| — Bank of New York, USA | | 8,39,84,910 | — |
| [maximum balance during the year Rs 14,95,69,901 (previous year - not applicable)] | | | |
| — Credit Suisse, Zurich | | — | 31,00,846 |
| [maximum balance during the year Rs 83,16,301 (previous year Rs 53,08,178)] | | | |
| | | 55,18,83,984 | 56,44,20,312 |
| SCHEDULE "G3" : LOANS AND ADVANCES : | | | |
| (unsecured considered good) | | | |
| Advances recoverable in cash or in kind or for value to be received (refer schedule 'M'; note 10) | | 7,76,78,613 | 5,92,95,801 |
| Loans and advances to a subsidiary company | | 73,000 | 23,77,728 |
| Tax payments less provisions | | 1,65,84,509 | 47,08,038 |
| | | 9,43,36,122 | 6,63,81,567 |
| SCHEDULE "H1" : CURRENT LIABILITIES : | | | |
| Sundry creditors | | 32,97,78,085 | 26,37,40,238 |
| Advance payment from customers for which value is still to be given (including travellers cheques, drafts and transfers unpaid) | | 71,35,939 | 1,88,16,494 |
| Balance in share application money and fractional entitlement on bonus shares refund accounts | | 1,54,676 | 95,235 |
| Unclaimed dividends | | 5,97,674 | 4,28,851 |
| | | 33,76,66,374 | 28,30,80,818 |
| SCHEDULE "H2" : PROVISIONS : | | | |
| Proposed dividend | | 2,88,75,000 | 2,62,50,000 |
| | | 2,88,75,000 | 2,62,50,000 |

**Schedules forming part of the profit and loss account
for the year ended 31st December, 1996**

| | Year ended 31st December, 1996 Rs | Year ended 31st December, 1995 Rs |
|--|---|---|
| SCHEDULE "I" : INCOME FROM SERVICES RENDERED : | | |
| Foreign exchange | 32,51,02,018 | 25,93,25,236 |
| Commission | 13,02,58,684 | 11,56,01,668 |
| Agency | 6,93,48,894 | 5,75,87,175 |
| Others | — | 50,168 |
| | <u>52,47,09,596</u> | <u>43,25,64,247</u> |
| SCHEDULE "J" : OTHER INCOME : | | |
| Interest on : | | |
| Bank accounts | 5,30,519 | 19,96,307 |
| Refund of tax | — | 58,28,342 |
| Others | 11,271 | 2,080 |
| Dividend on long-term investments - from a subsidiary company (gross) (tax deducted at source Rs 9,89,000; previous year - not applicable) | 40,00,000 | — |
| Rent | 1,46,008 | 1,34,755 |
| Profit on sale of fixed assets | 3,65,733 | 2,77,437 |
| Exchange differences (net) other than in normal course of business as foreign exchange authorised dealers | 68,35,781 | 25,91,769 |
| Miscellaneous income | 52,51,439 | 23,26,508 |
| | <u>1,71,40,751</u> | <u>1,31,57,198</u> |
| SCHEDULE "K" : PERSONNEL EXPENSES : | | |
| Salaries, wages and bonus | 6,13,23,341 | 4,72,86,150 |
| Contribution to provident and other funds | 54,54,219 | 40,69,401 |
| Premium on gratuity-cum-life assurance policy | 7,08,331 | 6,52,143 |
| Staff welfare | 1,14,08,565 | 88,26,659 |
| Staff training | 16,13,091 | 22,10,053 |
| Commission to staff and directors | 74,94,969 | 71,55,417 |
| | <u>8,80,02,516</u> | <u>7,01,99,823</u> |

**Schedule forming part of the profit and loss account
for the year ended 31st December, 1996**

| | Year ended 31st December, 1996 | Year ended 31st December, 1995 |
|---|-----------------------------------|-----------------------------------|
| | Rs | Rs |
| SCHEDULE "I" : OTHER EXPENSES : | | |
| Rent | 1,09,87,469 | 73,87,963 |
| Rates and taxes | 9,41,646 | 2,38,904 |
| Insurance | 19,35,164 | 15,97,878 |
| Repairs to building | 6,97,791 | 25,16,493 |
| Other repairs and maintenance | 2,11,20,249 | 1,61,62,562 |
| Printing and stationery | 87,71,728 | 69,30,152 |
| Postage, telegrams, telex and telephones | 2,86,32,876 | 2,28,98,106 |
| Legal and professional fees | 68,31,267 | 2,10,33,722 |
| Interest : | | |
| on bank overdraft | 83,56,498 | 85,85,065 |
| others | 1,94,695 | 3,48,553 |
| | 85,51,193 | 89,33,618 |
| Auditors' remuneration : | | |
| Audit fees | 3,75,000 | 2,50,000 |
| Taxation matters | 1,22,000 | 2,32,000 |
| Reports under various sections of Income-tax Act, 1961 | 8,73,000 | 6,61,000 |
| Management services | 17,00,000 | — |
| Miscellaneous reports | 87,000 | — |
| Reimbursement of out-of-pocket expenses | 10,858 | 28,245 |
| | 31,67,858 | 11,71,245 |
| Bank charges including handling charges on remittances | 99,23,480 | 83,76,865 |
| Travelling and subsistence | 1,95,42,145 | 1,41,04,892 |
| Advertising and business promotional expenses | 1,71,06,558 | 79,07,463 |
| Brokerage and incentives | 3,13,34,474 | 2,51,45,828 |
| Directors' fees | 1,10,000 | 84,000 |
| Security services | 25,22,270 | 17,06,038 |
| Motor car running expenses | 40,42,633 | 28,65,637 |
| Miscellaneous expenses | 76,88,589 | 74,33,497 |
| Bad debts written off | 2,62,140 | 6,36,854 |
| Less: provision held | 76,259 | 5,78,404 |
| | 1,85,881 | 58,450 |
| Provision for bad and doubtful debts: | | |
| Provision made during the year | 32,67,995 | 10,69,765 |
| Less: written back no longer required | 5,54,063 | 9,01,705 |
| | 27,13,932 | 1,68,060 |
| Provision for remittances lost in transit | — | 34,258 |
| Loss on fixed assets sold/scrapped | 7,69,646 | 2,57,643 |
| | 18,75,76,849 | 15,70,13,274 |

**Notes annexed to and forming part of the balance sheet as at 31st December, 1996
and the profit and loss account for the year ended on that date**

SCHEDULE "M"

1. The Company has disputed the allegations contained in the undermentioned notices issued by the Enforcement Directorate to show cause in writing why adjudication proceedings under section 51 of the Foreign Exchange Regulation Act, 1973 should not be held against the Company:
 - a) two notices dated 12th June, 1987 regarding investigations carried out by them during 1979 in respect of alleged unauthorised transfer of funds (amounting in aggregate to Pounds Sterling 83,850 and U.S. Dollars 7,43,927) outside India through the Company; and
 - b) a notice dated 12th November, 1986 regarding transactions relating to the alleged issue of travellers cheques to the various representatives of travellers/permit holders without securing the signatures of the travellers on such travellers cheques issued against their entitlement of the value of U.S. Dollars 1,82,630, Deutsche Marks 1,500 and Pounds Sterling 640.

Given the Company's current financial position, the penalty, if any, is not likely to be material.

2. i) The two notices, SCN II and III dated 4th April, 1995, issued by the Enforcement Directorate under section 51 of the Foreign Exchange Regulation Act, 1973 were adjudicated upon by the Special Director, Enforcement Directorate, Mumbai, by an Order dated 28th June, 1996.
 - a) With respect to SCN II, relating to encashment of foreign currencies from a Non-Resident Indian (NRI), in alleged contravention of the provisions of section 6(4) and section 6(5) of the Foreign Exchange Regulation Act, 1973, the Special Director, Enforcement Directorate has vide his order dated 28th June, 1996, held that the Company should pay a penalty of Rs 10 lakhs. The Company has preferred an Appeal and a Stay Petition against the said order with the Honourable Foreign Exchange Regulation Appellate Board on 9th August, 1996, and no provision has been considered necessary for the penalty referred to above.
 - b) With respect to SCN III relating to allegedly abetting a bank in their alleged contravention of the Foreign Exchange Regulation Act, 1973, the Special Director, Enforcement Directorate has vide his order dated 28th June, 1996, dropped the charge of abetment against the Company.
- ii) Two Opportunity notices Nos. II and III dated 29th February, 1996 were issued by the Enforcement Directorate initiating prosecution proceedings under section 56 of the Foreign Exchange Regulation Act, 1973 for failure to show proof that the Company had the requisite permission/exemption of the Reserve Bank of India for the transactions referred to in paragraph 2(i) above. The Company and the Chairman moved a Writ Petition before the Honourable High Court of Judicature at Mumbai, being O.S. W.P. No.825/96 Thomas Cook (India) Limited and Anr. vs. Shri V. Manickam, Enforcement Officer & Anr. The Honourable High Court of Judicature at Mumbai by its order dated 22nd July, 1996, issued Rule and directed the Enforcement Directorate not to file any criminal complaint against the Chairman of the Company as in the adjudication proceedings it was held that he was not guilty of offences punishable under the Foreign Exchange Regulation Act, 1973, and no penalty is levied against him.
In respect of the matter referred to in the Opportunity notices, in the light of the Order passed by the Special Director, Enforcement Directorate, Mumbai, dated 28th June, 1996, and considering the Company's current financial position, the penalty, if any, is not likely to be material.
3. Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Rs 5,88,27,712 (as at 31st December, 1995; Rs 63,70,680).
4. The cumulative effect of the changes in accounting policies referred to in note 12 (b) has resulted in profit for the year being higher by Rs 62,39,738; Rs 11,54,569 on account of the change referred to in item (i) therein and Rs 50,85,169 on account of the change referred to in item (ii) therein. In respect of forward foreign exchange contracts outstanding as at the year end the income to be recognised in the next accounting period is Rs 66,58,150 (previous year; not ascertained).

Notes annexed to and forming part of the balance sheet as at 31st December, 1996 and the profit and loss account for the year ended on that date

| | Year ended 31st December, 1996 Rs | Year ended 31st December, 1995 Rs |
|---|--|--|
| SCHEDULE "M" (contd.) | | |
| 5. Managerial remuneration under section 198 of the Companies Act, 1956 : Whole-time directors (excluding gratuity contributed on a global basis and including remuneration to whole-time directors aggregating Rs 5,60,311 subject to approval of the shareholders) | | |
| Salaries | 17,56,500 | 13,35,000 |
| Commission | 25,08,750 | 20,25,000 |
| Contribution to provident and other funds | 4,39,125 | 3,33,750 |
| Perquisites in cash and in kind | 21,26,192 | 13,81,067 |
| | <u>68,30,567</u> | <u>50,74,817</u> |
| Commission to non-executive directors | 12,50,000 | 9,25,000 |
| | <u>80,80,567</u> | <u>59,99,817</u> |
| Directors' fees | 1,10,000 | 84,000 |
| Computation of net profits in accordance with section 198 read with section 309(5) of the Companies Act, 1956 : Profit after taxation as per profit and loss account | 13,64,59,957 | 10,86,03,578 |
| Add : | | |
| Provision for taxation | 11,00,00,000 | 9,40,00,000 |
| Remuneration to directors | 80,80,567 | 59,99,817 |
| Directors' fees | 1,10,000 | 84,000 |
| Depreciation per accounts | 1,63,48,567 | 1,42,02,381 |
| Loss on fixed assets sold/scrapped per accounts | 7,69,646 | 2,57,643 |
| Net profit on fixed assets sold/scrapped as per section 350 | — | 1,45,810 |
| | <u>27,17,68,737</u> | <u>22,32,93,229</u> |
| Less : | | |
| Depreciation as per section 350 | 2,10,96,527 | 1,89,10,092 |
| Profit on sale of fixed assets per accounts | 3,65,733 | 2,77,437 |
| Net loss on fixed assets sold/scrapped as per section 350 | 1,70,466 | — |
| | <u>2,16,32,726</u> | <u>1,91,87,529</u> |
| Net profits | 25,01,36,011 | 20,41,05,700 |
| Commission to directors; restricted by the board of directors to: | 37,58,750 | 29,50,000 |
| 6. Expenses of distribution centre for distributing travellers cheques for Thomas Cook Travellers Cheques Limited, U.K. incurred by the Company during the year amounting to Rs 2,22,00,285 (previous year Rs 1,50,07,235) are not shown in the profit and loss account as these are reimbursible by and have therefore been charged to the current account of Thomas Cook Travellers Cheques Limited, U.K. | | |

Notes annexed to and forming part of the balance sheet as at 31st December, 1996 and the profit and loss account for the year ended on that date

| | Year ended 31st December, 1996 Rs | Year ended 31st December, 1995 Rs |
|--|--|--|
| SCHEDULE "M" (contd.) | | |
| 7. Expenditure in foreign currency : | | |
| Interest and bank charges | 42,51,126 | 30,01,454 |
| Professional fees | 5,25,021 | 1,58,68,600 |
| Travelling, subscription and others | 76,92,559 | 26,69,304 |
| 8. Remittances in foreign currencies : | | |
| (other than in normal course of the business as foreign exchange authorised dealers) | | |
| On account of dividend : | | |
| Net amount remitted to a non-resident shareholder - Thomas Cook Overseas Limited | | |
| No. of shares held | Dividend for the year ended | |
| 21,00,000 | 31st December, 1995 | 89,25,000 |
| 12,60,000 | 31st December, 1994 | — |
| | | 48,19,500 |
| 9. Earnings in foreign exchange (excluding reimbursement of expenses): | | |
| Interest | 5,30,519 | 19,95,242 |
| Communication charges | 9,29,936 | 7,19,918 |
| Receipts from independent tours and travel | 15,94,34,050 | 12,56,60,218 |
| Incentive commission on travellers cheques | 41,59,116 | 80,50,484 |
| 10. Advances recoverable in cash or in kind or for value to be received include dues from Bodies Corporate under the same management : | | |
| Thomas Cook Travellers Cheques Ltd. | 99,18,384 | 1,40,46,490 |
| Maximum amount due during the year | 1,40,46,490 | 1,40,46,490 |
| Thomas Cook Bankers France S.A. | 14,93,428 | 5,63,060 |
| Maximum amount due during the year | 24,30,032 | 18,65,743 |
| Thomas Cook Travel Service(S) Pte Ltd. | 14,69,155 | 54,958 |
| Maximum amount due during the year | 24,90,371 | 8,73,616 |
| Thomas Cook Australia Pty Ltd. | — | 9,70,744 |
| Maximum amount due during the year | 51,86,067 | 30,55,740 |
| The Thomas Cook Group Ltd. | — | — |
| Maximum amount due during the year | 2,98,12,777 | 4,67,03,952 |
| Thomas Cook Suisse S.A. | — | 18,04,831 |
| Maximum amount due during the year | 18,04,831 | 64,55,576 |
| Thomas Cook Travel Services (HK) Ltd. | 68,152 | 65,090 |
| Maximum amount due during the year | 68,152 | 65,090 |

**Notes annexed to and forming part of the balance sheet as at 31st December, 1996 and
the profit and loss account for the year ended on that date**

SCHEDULE “M” (contd.)

11. The Income-tax department has appealed against an order, issued by an appellate authority in favour of the Company, cancelling the penalty order issued by the assessing officer under section 271(1)(c) of the Income-tax Act, 1961 in respect of assessment year 1991-92. On the basis of the grounds of appeal presently known to the Company, in case the department succeeds in appeal, penalty upto Rs 86,67,620 may be upheld against the Company.

12. SIGNIFICANT ACCOUNTING POLICIES

a) Fixed assets and depreciation :

- i) The gross block of fixed assets is stated in the accounts at the purchase price of acquisition of such fixed assets including any attributable cost of bringing the asset to its working condition for its intended use.
- ii) Depreciation on all fixed assets is provided on the straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956, except that in respect of computers and vehicles of a cost of more than Rs 5,000 each, the depreciation rates applied are 25 percent and 15 percent respectively.
- iii) Leasehold properties are amortised over the period of the lease.

b) Accounting for foreign currency transactions :

To fall in line with the Revised Accounting Standard 11 (AS11) “Accounting for the effects of changes in Foreign Exchange Rates”, applicable with effect from accounting periods commencing on or after 1st April, 1995, in the current year the Company has :

- i) valued all the monetary items denominated in foreign currency at the closing rate and the exchange differences (there are no liabilities incurred for acquiring fixed assets) arising out of settlement/conversion at the closing rate are recognised in Profit and Loss Account.
- ii) recognised the gains and losses in respect of forward exchange contracts as income or expense over the life of the contract.

In the past :-

- i) the current assets and current liabilities denominated in foreign currency (i.e. items to be received or paid in foreign currency) were reported at the closing rate only if the net result was a loss and the loss was charged to the Profit and Loss Account.
- ii) the forward exchange contracts outstanding as at the year end were revalued only in case of a loss and accordingly accounted for.

There has been no change in the method of accounting for the balances now considered by AS11 as monetary items, other than those dealt with above.

As per consistent practice, the “closing rate” is considered to be the lowest market buying rate for debit balances and the highest market selling rate for credit balances quoted by the Company for its transactions as at the year end.

c) Gratuity and superannuation contributions :

Contributions towards gratuity and superannuation schemes are based on the premium contributions called for by the Life Insurance Corporation of India (LIC) with whom the Company has entered into an arrangement. Per the terms of its scheme with LIC, LIC settles the claim for the full value of the gratuity paid by the Company to its employees, as and when such a payment is made.

The LIC has confirmed that the present fund is sufficient to cover the actuarial liability as at 31st December, 1996.

Notes annexed to and forming part of the balance sheet as at 31st December, 1996 and the profit and loss account for the year ended on that date

SCHEDULE "M" (contd.)

Note 12 (contd.)

d). Recognition of income and expenditure :

All income and expenditure are accounted on an accrual basis.

13. The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given in the annexure.

14. Previous year's figures have been regrouped wherever necessary.

Signature to Schedules A to M

| | | |
|----------------|---|---|
| P. P. MADHAVJI | — | CHAIRMAN |
| I. G. SHAHANI | — | EXECUTIVE DIRECTOR |
| J. D. KETKAR | — | EXECUTIVE DIRECTOR & COMPANY SECRETARY |

Mumbai

Dated : 17th March, 1997.

**Annexure referred to in note 13 of the Notes annexed to and forming part of
the balance sheet as at 31st December, 1996 and the profit and loss account
for the year ended on that date**

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

I. Registration Details

Registration No.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2 | 0 | 7 | 1 | 7 | / | T | A |
|---|---|---|---|---|---|---|---|

State Code

| | |
|---|---|
| 1 | 1 |
|---|---|

Balance Sheet Date

| | |
|---|---|
| 3 | 1 |
|---|---|

| | |
|---|---|
| 1 | 2 |
|---|---|

| | |
|---|---|
| 9 | 6 |
|---|---|

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|---|

Rights Issue

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|---|

Bonus Issue

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|---|

Private Placement

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|---|

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | 7 | 1 | 3 | 9 | 8 | 0 |
|---|---|---|---|---|---|---|---|---|

Total Assets

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | 7 | 1 | 3 | 9 | 8 | 0 |
|---|---|---|---|---|---|---|---|---|

Sources of Funds

Paid-up Capital

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | - | 5 | 2 | 5 | 0 | 0 |
|---|---|---|---|---|---|---|---|---|

Reserves & Surplus

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | 4 | 3 | 0 | 8 | 8 | 3 |
|---|---|---|---|---|---|---|---|---|

Secured Loans

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | 1 | 4 | 3 | 7 | 5 | 9 |
|---|---|---|---|---|---|---|---|---|

Unsecured Loans

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | - | 8 | 6 | 8 | 3 | 8 |
|---|---|---|---|---|---|---|---|---|

Application of Funds

Net Fixed Assets

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | 2 | 6 | 7 | 1 | 8 | 1 |
|---|---|---|---|---|---|---|---|---|

Investments

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | - | - | 2 | 5 | 0 | 0 |
|---|---|---|---|---|---|---|---|---|

Net Current Assets

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | 4 | 4 | 4 | 2 | 9 | 9 |
|---|---|---|---|---|---|---|---|---|

Miscellaneous Expenditure

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|---|

Accumulated Losses

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|---|

**Annexure referred to in note 13 of the Notes annexed to and forming part
of the balance sheet as at 31st December, 1996 and the profit and loss
account for the year ended on that date**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL
BUSINESS PROFILE (Contd.)**

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

| | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|---|---|---|---|---|---|---|---|-------------------------|---|---|---|---|---|---|---|---|---|---|---|
| Turnover | | | | | | | | | | Total Expenditure * | | | | | | | | | | | |
| - | - | - | 5 | 4 | 1 | 8 | 5 | 0 | | - | - | - | 2 | 9 | 5 | 3 | 9 | 0 | | | |
| Profit / Loss before tax | | | | | | | | | | Profit / Loss after tax | | | | | | | | | | | |
| | + | - | - | - | 2 | 4 | 6 | 4 | 6 | 0 | | + | - | - | - | 1 | 3 | 6 | 4 | 6 | 0 |
| (+ for Profit, — for Loss) | | | | | | | | | | | | | | | | | | | | | |
| Earning per Share in Rs. | | | | | | | | | | Dividend rate % | | | | | | | | | | | |
| - | - | - | - | - | 2 | 6 | | | | 5 | 5 | | | | | | | | | | |

(+ for Profit, — for Loss)

* including earlier year's adjustments

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

| | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|----|
| Item Code No. (ITC Code) | N | O | T | | A | P | P | L | I | C | A | B | L | E | | | | | | |
| Product Description | A | U | T | H | O | R | I | S | E | D | | F | O | R | E | I | G | N | — | — |
| | E | X | C | H | A | N | G | E | | D | E | A | L | E | R | S | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Item Code No. (ITC Code) | N | O | T | | A | P | P | L | I | C | A | B | L | E | | | | | | |
| Product Description | T | R | A | V | E | L | | A | G | E | N | T | S | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | -- |
| Item Code No. (ITC Code) | N | O | T | | A | P | P | L | I | C | A | B | L | E | | | | | | |
| Product Description | T | O | U | R | | O | P | E | R | A | T | O | R | S | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | | |
|----------------|---|---|
| P. P. MADHAVJI | — | CHAIRMAN |
| I. G. SHAHANI | — | EXECUTIVE DIRECTOR |
| J. D. KETKAR | — | EXECUTIVE DIRECTOR & COMPANY SECRETARY |

Mumbai
Dated : 17th March, 1997.



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 1996

| | Rs | 1996 Rs | Rs | 1995 Rs |
|---|---------------|---------------|--------------|--------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | | | |
| NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS | | | | |
| | | 246,459,957 | | 202,603,578 |
| Adjustments for: | | | | |
| Depreciation | 16,348,567 | | 14,202,381 | |
| Interest income | | | | |
| – on tax refunds | — | | (5,828,342) | |
| – others | (541,790) | | (1,998,387) | |
| Dividend income | (4,000,000) | | — | |
| Profit on sale on fixed assets | (365,733) | | (277,437) | |
| Loss on fixed assets sold/scrapped | 769,646 | | 257,643 | |
| Interest expenditure | 8,551,193 | | 8,933,618 | |
| | | 20,761,883 | | 15,289,476 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | 267,221,840 | | 217,893,054 |
| Adjustment for: | | | | |
| Trade and other receivables | (40,007,489) | | (67,084,688) | |
| Trade payables | 55,430,270 | | 129,596,074 | |
| | | 15,422,781 | | 62,511,386 |
| CASH GENERATED FROM OPERATIONS | | 282,644,621 | | 280,404,440 |
| Interest paid | (9,395,907) | | (8,481,302) | |
| Interest received | | | | |
| – on tax refunds | — | | 5,828,342 | |
| – others | 1,527,963 | | 1,312,214 | |
| Direct taxes paid-net of refunds | (121,876,471) | | (90,533,455) | |
| | | (129,744,415) | | (91,874,201) |
| CASH FLOW BEFORE EXTRAORDINARY ITEMS | | 152,900,206 | | 188,530,239 |
| Extraordinary items | | — | | — |
| NET CASH FROM OPERATING ACTIVITIES | | 152,900,206 | | 188,530,239 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | | | |
| Purchase of fixed assets | | (156,828,569) | | (29,895,960) |
| Sales of fixed assets | | 1,626,970 | | 785,899 |
| Dividend received | | 4,000,000 | | — |
| NET CASH USED IN INVESTING ACTIVITIES | | (151,201,599) | | (29,110,061) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Increase in overdraft | | 12,015,065 | | 97,129,734 |
| Dividend paid | | (26,250,000) | | (14,175,000) |
| NET CASH USED IN FINANCING ACTIVITIES | | (14,234,935) | | 82,954,734 |
| NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS (A+B+C) | | (12,536,328) | | 242,374,912 |
| CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR | | 564,420,312 | | 322,045,400 |
| CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR | | 551,883,984 | | 564,420,312 |
| NET INCREASE/(DECREASE) AS DISCLOSED ABOVE | | (12,536,328) | | 242,374,912 |

Note: All figures in brackets are outflows

For and on behalf of the Board of Directors

Mumbai
Dated : 17th March, 1997

P. MADHAVJI
Chairman

AUDITORS' REPORT
To The Board of Directors
THOMAS COOK (INDIA) LIMITED
Mumbai

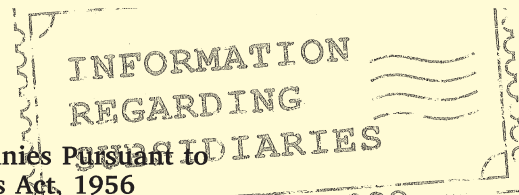
We have examined the above cash flow statement of Thomas Cook (India) Limited for the year ended 31st December, 1996. The statement has been prepared by the Company and is based on and in agreement with the corresponding profit and loss account and balance sheet of the Company covered by our report of even date to the members of the Company.

For **A. F. FERGUSON & CO.**
Chartered Accountants

Mumbai
Dated : 17th March, 1997

Y. M. KALE
Partner

**Information Regarding Subsidiary Companies Pursuant to
Section 212(1)(e) of the Companies Act, 1956**



| | | | | |
|--|---|--|--|--|
| (a) Subsidiary Companies | Hindustan Cargo Limited | Thomas Cook Tours Limited | India Alive Tours Limited | Indian Horizon Travel & Tours Limited |
| (b) Holding Company's Interest | Holding Company along with a nominee holds 2,50,000 shares of Rs. 10 each fully paid-up | Holding Company along with a nominee holds 3 shares of Rs. 10 each fully paid-up | Holding Company along with a nominee holds 3 shares of Rs. 10 each fully paid-up | Holding Company along with a nominee holds 3 shares of Rs. 10 each fully paid-up |
| (c) Net aggregate amount of the Subsidiary Company's profit/(loss) not dealt with in the Company's accounts: | | | | |
| i) For the Subsidiary Company's financial year ended 31st December, 1996 | Rs. 33,22,997 | — | — | — |
| ii) For the Subsidiary Company's previous financial years | Rs 4,49,577 | — | — | — |
| (d) Net aggregate amount of the Subsidiary Company's profit dealt with in the Company's accounts: | | | | |
| i) For the Subsidiary Company's financial year ended 31st December, 1996 | — | — | — | — |
| ii) For the Subsidiary Company's previous financial years | — | — | — | — |

P. P. MADHAVJI — CHAIRMAN
I. G. SHAHANI — EXECUTIVE DIRECTOR
J. D. KETKAR — EXECUTIVE DIRECTOR & COMPANY SECRETARY

Mumbai
Dated : 17th March, 1997.

HINDUSTAN CARGO LIMITED

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting the Fourth Annual Report, together with the Balance Sheet and Profit and Loss Account for the year ended 31st December, 1996.

FINANCIAL RESULTS:

The Company has produced good results during the year ending on 31st December, 1996 despite keen competition affecting some of the areas of the Company's activities.

| | Jan/Dec (1996) | Jan/Dec (1995) |
|---------------------------------------|-------------------|-------------------|
| (Amount in Rupees) | | |
| Profit before Taxation | 60,22,997 | 78,40,089 |
| Provision for Taxation | 27,00,000 | 37,00,000 |
| Profit after Taxation | 33,22,997 | 41,40,089 |
| Transferred to General Reserve | 3,32,299 | 4,14,009 |
| Proposed Dividend (Subject to Tax) | 30,00,000 | 40,00,000 |

At present your Company operates through its 6 branches at Mumbai, Bangalore, New Delhi, Hyderabad, Pune & Chennai as Cargo Agents offering a wide range of clearing and forwarding services in air and sea export, import, consolidation and break bulk service and wherever required door to door.

DIVIDEND:

Your Directors are pleased to declare a dividend of 120%. The dividend absorbs Rs 30,00,000/-.

GENERAL RESERVE:

Your Directors have resolved to transfer Rs 3,32,299/- to General Reserve out of the profits of the Company. In view of the transfers, the reserves and surplus have increased to Rs 8,18,774/- as at 31st December, 1996.

DIRECTORS:

In accordance with Article 131 of the Articles of Association, Mr J. D. Ketkar retires by rotation and being eligible offers himself for re-election.

EXPENDITURE ON FOREIGN CURRENCY:

During the year, the Company has incurred expenditure in foreign currency towards travelling, subscription and others as disclosed as per Schedule 'E' Note 2.

AUDITORS:

The retiring Auditors M/s A.F. Ferguson & Co., do not offer themselves for re-appointment. The Company has received a Special Notice in writing from a member proposing the appointment of Lovelock & Lewes, Chartered Accountants, as Auditors of the Company in the place and stead of A. F. Ferguson & Co., Chartered Accountants until the conclusion of the next Annual General Meeting.

EMPLOYEES:

Relations with the employees continued to be cordial throughout the year. Your Directors place on record the appreciation of the effort and dedication of the employees in producing encouraging results during the year under review.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956:

The particulars required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. However, as per Section 219(1) (b) (iv) of the Companies Act, 1956, the Report and Accounts is being sent to all shareholders of the Company excluding the above Statement. Any shareholder interested in obtaining a copy of the said Statement may write to the Secretary at the Registered Office of the Company.

The matters specified in Section 217 of the Companies Act, 1956, to the extent to which they are applicable to our Company, are incorporated in this Report.

BY ORDER OF THE BOARD

P. P. MADHAVJI
Chairman

Mumbai
Dated: 14th March, 1997

HINDUSTAN CARGO LIMITED

Report of the Auditors to the Members of Hindustan Cargo Limited on the Accounts for the year ended 31st December, 1996

We have audited the attached balance sheet of Hindustan Cargo Limited as at 31st December, 1996 and also the profit and loss account of the Company for the year ended on that date, annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent to which they are applicable to the Company.
2. Attention is invited to the matter referred to in note 4 of Schedule "I".
3. Further to our comments in the Annexure referred to in paragraph 1 above :

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief

were necessary for the purposes of our audit;

- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
- (c) the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account and returns;
- (d) in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by

the Companies Act, 1956 in the manner so required and give a true and fair view:

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31st December, 1996;
and
- (ii) in the case of the profit and loss account, of the profit of the Company for the year ended on that date.

For A. F. FERGUSON & Co.
Chartered Accountants

Y. M. KALE
Partner

Mumbai
Dated: 14th March, 1997

HINDUSTAN CARGO LIMITED

Annexure to the Report of the Auditors to the Members of Hindustan Cargo Limited on the Accounts for the year ended 31st December, 1996

(Referred to in paragraph 1 thereof)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets are physically verified by the management once in a year which in our opinion is reasonable and no material discrepancies were noticed on such verification carried out during the year.
2. None of the fixed assets have been revalued during the year.
3. The Company has not taken any loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or from the companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
4. The Company has not granted any loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or to the companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
5. As the Company has not given any loans or advances in the nature of loans, paragraph 4(ix) of the said Order is not applicable.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of equipment and other assets.
7. According to the information and explanations given to us, there are no sales of services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs 50,000/- or more in respect of each party.
8. The Company has not accepted any deposits from the public to which the provisions of section 58A of the Companies Act, 1956 or the rules framed thereunder would apply.
9. As the Company's paid-up share capital did not exceed Rs 25 lakhs as at the commencement of the year and this being the Company's third year of operation, paragraph 4(xv) of the said Order regarding the internal audit system is not applicable.
10. According to the records of the Company, provident fund and Employees' State Insurance dues have been regularly deposited during the year with the appropriate authorities.
11. According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales tax and customs duty were outstanding as at 31st December, 1996 for a period of more than six months from the date they became payable.
12. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
13. The service activities of the Company are such that the question of recording receipts, issues and consumption of materials and stores and allocation of materials and man-hours consumed to the relative jobs does not arise. Consequently, the authorisation and control on the issue of stores and allocation of stores and labour to jobs are not applicable.

For A. F. FERGUSON & Co.
Chartered Accountants

Y. M. KALE
Partner

Mumbai
Dated: 14th March, 1997

HINDUSTAN CARGO LIMITED

Balance Sheet as at 31st December, 1996

| | REF SCH. | As at 31st December, 1996 Rs | As at 31st December, 1995 Rs |
|--|-------------|------------------------------------|------------------------------------|
| I. SOURCES OF FUNDS : | | | |
| SHAREHOLDERS' FUNDS : | | | |
| Share capital | A | 25,00,000 | 25,00,000 |
| Reserves and surplus | B | 8,18,774 | 4,95,777 |
| TOTAL : | | 33,18,774 | 29,95,777 |
| II. APPLICATION OF FUNDS: | | | |
| FIXED ASSETS : | | | |
| Gross block | | 39,43,323 | 28,17,518 |
| Less : Depreciation | | 8,04,437 | 3,17,340 |
| Net block | C | 31,38,886 | 25,00,178 |
| CURRENT ASSETS, LOANS AND ADVANCES: | | | |
| Sundry debtors | D | 62,21,126 | 90,17,633 |
| Cash and bank balances | E | 38,59,179 | 96,99,315 |
| Loans and advances | F | 56,59,784 | 4,93,11,864 |
| | | 1,57,40,089 | 6,80,28,812 |
| LESS:CURRENT LIABILITIES AND PROVISIONS: | | | |
| Current liabilities | G | 1,25,60,201 | 6,35,33,213 |
| Provisions | G1 | 30,00,000 | 40,00,000 |
| | | 1,55,60,201 | 6,75,33,213 |
| NET CURRENT ASSETS | | 1,79,888 | 4,95,599 |
| TOTAL : | | 33,18,774 | 29,95,777 |

Notes - see schedule "I"
Per our report attached

For A. F. FERGUSON & Co.
Chartered Accountants

Y. M. KALE
Partner

P. P. MADHAVJI

— CHAIRMAN

M. V. LAKSHMINARAYANAN

— MANAGING DIRECTOR

I. G. SHAHANI

— DIRECTOR

J. D. KETKAR

— DIRECTOR

S. K. JHAVERI (Mrs.)

— COMPANY SECRETARY

Mumbai
Dated : 14th March, 1997

Mumbai
Dated : 14th March, 1997

HINDUSTAN CARGO LIMITED

Profit and Loss Account for the year ended 31st December, 1996

| | REF. SCH. | Year ended 31st December, 1996 Rs | Year ended 31st December, 1995 Rs |
|--|--------------|---|---|
| INCOME : | | | |
| Income from services rendered | H | 1,99,02,275 | 1,98,33,307 |
| Other income | I | 3,06,647 | 6,35,328 |
| TOTAL INCOME : | | <u>2,02,08,922</u> | <u>2,04,68,635</u> |
| EXPENDITURE : | | | |
| Personnel expenses | J | 52,36,865 | 46,34,641 |
| Other expenses | K | 84,61,375 | 77,05,355 |
| Depreciation | C | 4,87,685 | 2,88,550 |
| TOTAL EXPENDITURE : | | <u>1,41,85,925</u> | <u>1,26,28,546</u> |
| Profit before taxation | | 60,22,997 | 78,40,089 |
| Provision for taxation | | 27,00,000 | 37,00,000 |
| Profit after taxation | | <u>33,22,997</u> | <u>41,40,089</u> |
| Balance brought forward from last year | | 81,768 | 3,55,688 |
| Amount available for appropriations | | 34,04,765 | 44,95,777 |
| Less : appropriations | | | |
| Proposed dividend (subject to tax) | | 30,00,000 | 40,00,000 |
| Transferred to general reserve | | 3,32,299 | 4,14,009 |
| Balance carried to balance sheet | | <u>72,466</u> | <u>81,768</u> |

Notes - see schedule "L"
Per our report attached to the balance sheet

For A. F. FERGUSON & Co.
Chartered Accountants

Y. M. KALE
Partner

Mumbai
Dated : 14th March, 1997

P. P. MADHAVJI — CHAIRMAN

M. V. LAKSHMINARAYANAN — MANAGING DIRECTOR

I. G. SHAHANI — DIRECTOR

J. D. KETKAR — DIRECTOR

S. K. JHAVERI (Mrs.) — COMPANY SECRETARY

Mumbai
Dated : 14th March, 1997

HINDUSTAN CARGO LIMITED

Schedules forming part of the balance sheet as at 31st December, 1996

| | As at 31st December, 1996 | As at 31st December, 1995 |
|----|------------------------------|------------------------------|
| Rs | Rs | Rs |

SCHEDULE "A" : SHARE CAPITAL:

Authorised :

| | | | |
|-----------|-------------------------------|-------------|-------------|
| 10,00,000 | Equity shares of Rs 10/- each | 1,00,00,000 | 1,00,00,000 |
|-----------|-------------------------------|-------------|-------------|

Issued and subscribed :

| | | | |
|----------|---|-----------|-----------|
| 2,50,000 | Equity shares of Rs 10/- each fully paid-up | 25,00,000 | 25,00,000 |
|----------|---|-----------|-----------|

(Of the above, 26,955 Equity shares of Rs 10/- each, fully paid-up, have been allotted to Thomas Cook (India) Limited, (TCIL) for consideration other than cash)

The entire issued share capital is held by the holding company, TCIL, directly or through its nominee.

SCHEDULE "B" : RESERVES AND SURPLUS :

General reserve :

| | | | |
|--|----------|---|----------|
| Balance as per last balance sheet | 4,14,009 | — | |
| Add : transferred from profit and loss account | 3,32,299 | | 4,14,009 |

| | | | |
|------------------------------------|----------|----------|--|
| | 7,46,308 | 4,14,009 | |
| Balance in profit and loss account | 72,466 | 81,768 | |
| | 8,18,774 | 4,95,777 | |

SCHEDULE "C" : FIXED ASSETS:

| | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|------------------------|--------------------------------------|---------------------------------|------------------|-------------------------------------|--------------------------------|--------------------|---------------------|--------------------------------|---------------------------------|---------------------------------|
| Details | Cost as at 31st December, 1995 Rs | Additions during the year Rs | Deductions Rs | Cost as at 31st December 1996 Rs | Upto 31st December, 1995 Rs | For the year Rs | On Deductions Rs | Upto 31st December, 1996 Rs | As at 31st December, 1996 Rs | As at 31st December, 1995 Rs |
| Furniture and fixtures | 2,30,921 | 3,60,925 | — | 5,91,846 | 66,635 | 68,031 | — | 1,34,666 | 4,57,180 | 1,64,286 |
| Computers | 5,33,407 | 53,000 | — | 5,86,407 | 53,255 | 1,44,738 | — | 1,97,993 | 3,88,414 | 4,80,152 |
| Office equipment | 11,06,027 | 3,74,615 | 7,981 | 14,72,661 | 1,19,386 | 1,11,900 | 588 | 2,30,698 | 12,41,963 | 9,86,641 |
| Vehicles | 9,47,163 | 3,45,246 | — | 12,92,409 | 78,064 | 1,63,016 | — | 2,41,080 | 10,51,329 | 8,69,099 |
| GRAND TOTAL | 28,17,518 | 11,33,786 | 7,981 | 39,43,323 | 3,17,340 | 4,87,685 | 588 | 8,04,437 | 31,38,886 | 25,00,178 |
| PREVIOUS YEAR | 9,91,622 | 18,33,417 | 7,521 | 28,17,518 | 30,842 | 2,88,550 | 2,052 | 3,17,340 | 2,500,178 | |

HINDUSTAN CARGO LIMITED

Schedules forming part of the balance sheet as at 31st December, 1996

| | As at 31st December, 1996 Rs | | As at 31st December, 1995 Rs | |
|---|------------------------------------|---------------------------------------|------------------------------------|---------------------------------------|
| SCHEDULE “D”: SUNDRY DEBTORS: (unsecured considered good unless otherwise stated) | | | | |
| | Over 6 months Rs | Others Rs | Over 6 months Rs | Others Rs |
| Considered good | 82,481 | 61,38,645 | 79,240 | 89,38,393 |
| Considered doubtful | 2,33,494 | — | 31,286 | — |
| | <u>3,15,975</u> | <u>61,38,645</u> | <u>1,10,526</u> | <u>89,38,393</u> |
| Less : Provision for doubtful debts | 2,33,494 | — | 31,286 | — |
| | <u>82,481</u> | <u>61,38,645</u> | <u>79,240</u> | <u>89,38,393</u> |
| TOTAL DEBTORS | <u><u>62,21,126</u></u> | | <u><u>90,17,633</u></u> | |
| | | As at 31st December, 1996 Rs | | As at 31st December, 1995 Rs |
| SCHEDULE “E” : CASH AND BANK BALANCES: | | | | |
| Cash on hand | | 32,749 | | 37,896 |
| Cheques on hand | | 45,982 | | 2,81,771 |
| Balances with scheduled banks : | | | | |
| On current account | 19,64,909 | | | 46,29,648 |
| On fixed deposit | <u>18,15,539</u> | | | <u>47,50,000</u> |
| | | <u>37,80,448</u> | | <u>93,79,648</u> |
| | | <u><u>38,59,179</u></u> | | <u><u>96,99,315</u></u> |
| SCHEDULE “F” : LOANS AND ADVANCES : (unsecured considered good) | | | | |
| Advances recoverable in cash or in kind or for value to be received | | 30,11,915 | | 3,39,05,164 |
| Balance with customs, port trust, etc. : | | | | |
| On current account | 18,09,549 | | | 1,52,38,105 |
| On security deposit account | <u>70,000</u> | | | <u>60,000</u> |
| | | 18,79,549 | | 1,52,98,105 |
| Tax payments less provisions | | <u>7,68,320</u> | | <u>1,08,595</u> |
| | | <u><u>56,59,784</u></u> | | <u><u>4,93,11,864</u></u> |
| SCHEDULE “G” : CURRENT LIABILITIES : | | | | |
| Sundry creditors | | 1,09,13,014 | | 1,22,56,445 |
| Advance payment from customers | | 15,74,187 | | 4,88,99,040 |
| Loans and advances from the holding company | | 73,000 | | 23,77,728 |
| | | <u>1,25,60,201</u> | | <u>6,35,33,213</u> |
| SCHEDULE “G1” : PROVISIONS : | | | | |
| Proposed dividend | | <u>30,00,000</u> | | <u>40,00,000</u> |
| | | <u><u>30,00,000</u></u> | | <u><u>40,00,000</u></u> |

HINDUSTAN CARGO LIMITED

Schedules forming part of the profit and loss account for the year ended 31st December, 1996

| | Rs | Year ended 31st December, 1996 Rs | Year ended 31st December, 1995 Rs |
|---|---------------|---|---|
| SCHEDULE "H": INCOME FROM SERVICES RENDERED: | | | |
| Commission | | 1,01,89,618 | 1,13,27,123 |
| Agency | | 97,12,657 | 85,06,184 |
| | | <u>1,99,02,275</u> | <u>1,98,33,307</u> |
| SCHEDULE "I" : OTHER INCOME : | | | |
| Interest : | | | |
| On fixed deposits | 2,79,646 | | 3,54,305 |
| Others | <u>25,000</u> | | <u>6,550</u> |
| | | 3,04,646 | 3,60,855 |
| Profit on sale of fixed assets | | — | 6,774 |
| Credit balances written back | | — | 2,66,012 |
| Miscellaneous income | | 2,001 | 1,687 |
| | | <u>3,06,647</u> | <u>6,35,328</u> |
| SCHEDULE "J" : PERSONNEL EXPENSES : | | | |
| Salaries, wages, bonus and commission | | 40,55,305 | 34,49,473 |
| Contribution to provident and other funds | | 2,86,951 | 2,91,742 |
| Premium on gratuity-cum-life assurance policy | | 1,52,914 | 52,506 |
| Staff welfare | | 7,41,695 | 8,40,920 |
| | | <u>52,36,865</u> | <u>46,34,641</u> |
| SCHEDULE "K" : OTHER EXPENSES : | | | |
| Rent | | 7,18,280 | 5,26,296 |
| Insurance | | 10,276 | 30,360 |
| Other repairs and maintenance | | 10,35,995 | 7,26,738 |
| Printing and stationery | | 4,16,224 | 5,40,588 |
| Postage, telegrams, telex and telephones | | 20,72,546 | 19,54,274 |
| Legal and professional fees | | 2,34,270 | 21,546 |
| Auditors' remuneration: | | | |
| Audit fees | 75,000 | | 50,000 |
| Report under section 44AB of the Income-tax Act, 1961 | 74,000 | | 55,000 |
| Other services | 79,000 | | 1,05,000 |
| Out-of-pocket expenses | <u>2,520</u> | | <u>—</u> |
| | | 2,30,520 | 2,10,000 |
| Bank charges | | 27,377 | 47,003 |
| Travelling | | 15,73,671 | 13,67,827 |
| Advertising and business promotional expenses | | 1,51,508 | 1,25,958 |
| Incentives | | 6,37,148 | 9,96,467 |
| Security services | | 29,975 | 24,000 |
| Motor car running expenses | | 1,51,676 | 1,12,325 |
| Provision for bad and doubtful debts | | 2,02,208 | 31,286 |
| Bad debts | | 13,847 | — |
| Loss on fixed assets sold/scrapped | | 5,394 | 1,044 |
| Miscellaneous expenses | | 9,50,460 | 9,89,643 |
| | | <u>84,61,375</u> | <u>77,05,355</u> |

HINDUSTAN CARGO LIMITED

Notes annexed to and forming part of the balance sheet as at 31st December, 1996 and the profit and loss account for the year ended on that date

| | Year ended 31st December, 1996 Rs | Year ended 31st December, 1995 Rs |
|---|---|---|
| SCHEDULE "L" | | |
| 1. Managerial remuneration under section 198 of the Companies Act, 1956 to the Managing Director (excluding gratuity contributed on a global basis and including remuneration aggregating Rs 2,13,750 subject to approval in general meeting) | | |
| Salaries | 2,05,000 | 1,80,000 |
| Commission | — | 22,656 |
| Contribution to provident and other funds | 51,250 | 45,000 |
| Perquisites in cash and in kind | 2,24,706 | 1,58,386 |
| | <u>4,80,956</u> | <u>4,06,042</u> |
| Directors' fees | — | — |
| Computation of net profits in accordance with section 198 read with section 309(5) of the Companies Act, 1956 : | | |
| Net profit as per profit and loss account | 33,22,997 | 41,40,089 |
| Add: | | |
| Provision for taxation | 27,00,000 | 37,00,000 |
| Remuneration to the Managing Director | 4,80,956 | 4,06,042 |
| Depreciation per accounts | 4,87,685 | 2,88,550 |
| Loss on fixed assets sold/scrapped per accounts | 5,394 | 1,044 |
| Net profit on fixed assets sold/scrapped as per section 350 | — | 5,576 |
| | <u>69,97,032</u> | <u>85,41,301</u> |
| Less : | | |
| Depreciation as per section 350 | 7,62,895 | 4,13,680 |
| Profit on sale of fixed assets per accounts | — | 6,774 |
| Net loss on fixed assets sold/scrapped as per section 350 | 4,333 | — |
| | <u>7,67,228</u> | <u>4,20,454</u> |
| Net profits | <u>62,29,804</u> | <u>81,20,847</u> |
| Computation of commission payable : | | |
| Maximum remuneration payable at the rate of 5 percent of the net profits per section 309 of the Companies Act, 1956 | 3,11,490 | 4,06,042 |
| Remuneration per section 198 excluding commission | 4,80,956* | 3,83,386 |
| Commission payable to the Managing Director | — | 22,656 |
| * Minimum remuneration per the terms of appointment within the overall limits prescribed in Schedule XIII to the Companies Act, 1956. | | |
| 2. Expenditure in foreign currency : | | |
| Travelling, subscriptions and others | 1,73,893 | 2,38,352 |
| 3. Advances recoverable in cash or in kind or for value to be received include : | | |
| 7 Year National Savings Certificates (deposited with customs) | 25,000 | 15,000 |
| 5 1/2 Year Kisan Vikas Patra (deposited with customs) | — | 25,000 |

HINDUSTAN CARGO LIMITED

Notes annexed to and forming part of the balance sheet as at 31st December, 1996 and the profit and loss account for the year ended on that date

SCHEDULE "L" (Contd.)

4. The Company had acquired the cargo division of Thomas Cook (India) Limited (TCIL), the holding company, with effect from the commencement of the business on 1st November, 1994 as per the agreement for sale and transfer of business and undertaking executed on that date. The Company is still in the process of transferring to its name, certain assets and liabilities and, licences and permissions attached/accruing to the erstwhile cargo division of TCIL. Accordingly the balances of such assets and liabilities as at 31st December, 1996 reflected in the balance sheet are in the name of TCIL.
5. As a result of the change in the accounting policy for foreign currency transactions referred to in note 7(b), the profit is higher by Rs 378,971.
6. The amount of exchange differences (net) credited to the Profit and Loss Account is Rs 20,06,083 (year ended 31st December, 1995 not ascertained).

7. SIGNIFICANT ACCOUNTING POLICIES

a) Fixed assets and depreciation :

- i) The gross block of fixed assets is stated in the accounts at the purchase price of acquisition of such fixed assets including any attributable cost of bringing the asset to its working condition for its intended use.
- ii) Depreciation on fixed assets is provided on the straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956, except that in respect of computers and vehicles of a cost of more than Rs 5,000/- each, the depreciation rates applied are 25 percent and 15 percent respectively.

b) Accounting for foreign currency transactions :

To fall in line with the Revised Accounting Standard 11 (AS11) "Accounting for the effects of changes in Foreign Exchange Rates", applicable with effect from accounting periods commencing on or after 1st April, 1995, in the current year the Company has valued the monetary items denominated in foreign currency at the closing rate and the exchange differences (there are no liabilities incurred for acquiring fixed assets) arising out of settlement/conversion at the closing rate are recognised in Profit and Loss Account.

In the past, the current assets and current liabilities denominated in foreign currency (i.e. items to be received or paid in foreign currency) were reported at the closing rate only if the net result was a loss and the loss was charged to the Profit and Loss Account.

c) Recognition of income and expenditure :

All income and expenditure are accounted on an accrual basis.

d) Gratuity and superannuation contributions :

Contributions towards gratuity and superannuation schemes are based on the premium contributions called for by the Life Insurance Corporation of India (LIC) with whom the Company has entered into an arrangement. Per the terms of its scheme with LIC, LIC settles the claim for the full value of the gratuity paid by the Company to its employees, as and when such a payment is made.

The LIC has confirmed that the present fund is sufficient to cover the actuarial liability as at 31st December, 1996.

HINDUSTAN CARGO LIMITED

Notes annexed to and forming part of the balance sheet as at 31st December, 1996
and the profit and loss account for the year ended on that date

SCHEDULE "L" (Contd.)

8. The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given in the annexure.
 9. Previous year's figures have been regrouped wherever necessary.
-

Signature to Schedules A to L

| | |
|------------------------|---------------------|
| P. P. MADHAVJI | — CHAIRMAN |
| M. V. LAKSHMINARAYANAN | — MANAGING DIRECTOR |
| I. G. SHAHANI | — DIRECTOR |
| J. D. KETKAR | — DIRECTOR |
| S. K. JHAVERI (Mrs.) | — COMPANY SECRETARY |

Mumbai
Dated : 14th March, 1997

HINDUSTAN CARGO LIMITED

Annexure referred to in note 8 of the Notes annexed to and forming part of the balance sheet as at 31st December, 1996 and the profit and loss account for the year ended on that date

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | 1 | - | 7 | 5 | 4 | 8 | 0 |
|---|---|---|---|---|---|---|---|

State Code

| | |
|---|---|
| 1 | 1 |
|---|---|

Balance Sheet Date

| | |
|---|---|
| 3 | 1 |
|---|---|

| | |
|---|---|
| 1 | 2 |
|---|---|

| | |
|---|---|
| 9 | 6 |
|---|---|

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|---|

Rights Issue

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|---|

Bonus Issue

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|---|

Private Placement

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|---|

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | - | - | 3 | 3 | 1 | 9 |
|---|---|---|---|---|---|---|---|---|

Total Assets

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | - | - | 3 | 3 | 1 | 9 |
|---|---|---|---|---|---|---|---|---|

Sources of Funds

Paid-up Capital

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | - | - | 2 | 5 | 0 | 0 |
|---|---|---|---|---|---|---|---|---|

Reserves & Surplus

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| - | - | - | - | - | 8 | 1 | 9 |
|---|---|---|---|---|---|---|---|

Secured Loans

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|---|

Unsecured Loans

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|---|

Application of Funds

Net Fixed Assets

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | - | - | 3 | 1 | 3 | 9 |
|---|---|---|---|---|---|---|---|---|

Investments

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|---|

Net Current Assets

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| - | - | - | - | - | 1 | 8 | 0 |
|---|---|---|---|---|---|---|---|

Miscellaneous Expenditure

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|---|

Accumulated Losses

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | N | I | L | - | - | - |
|---|---|---|---|---|---|---|---|---|

HINDUSTAN CARGO LIMITED

Annexure referred to in note 9 of the Notes annexed to and forming part of the balance sheet as at 31st December, 1996 and the profit and loss account for the year ended on that date

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

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

Turnover

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | - | 2 | 0 | 2 | 0 | 9 |
|---|---|---|---|---|---|---|---|---|

Profit / Loss before tax

| | | | | | | | | | |
|--|---|---|---|---|---|---|---|---|---|
| | + | - | - | - | - | 6 | 0 | 2 | 3 |
|--|---|---|---|---|---|---|---|---|---|

(+ for Profit, - for Loss)

Earning per Share in Rs.

| | | | | | | |
|---|---|---|---|---|---|---|
| - | - | 1 | 3 | . | 2 | 9 |
|---|---|---|---|---|---|---|

Total Expenditure

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| - | - | - | - | 1 | 4 | 1 | 8 | 6 |
|---|---|---|---|---|---|---|---|---|

Profit / Loss after tax

| | | | | | | | | | |
|--|---|---|---|---|---|---|---|---|---|
| | + | - | - | - | - | 3 | 3 | 2 | 3 |
|--|---|---|---|---|---|---|---|---|---|

Dividend rate %

| | | |
|---|---|---|
| 1 | 2 | 0 |
|---|---|---|

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

Item Code No.
(ITC Code)

| | | | | | | | | | | | | | |
|---|---|---|--|---|---|---|---|---|---|---|---|---|---|
| N | O | T | | A | P | P | L | I | C | A | B | L | E |
|---|---|---|--|---|---|---|---|---|---|---|---|---|---|

Product
Description

| | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| C | L | E | A | R | I | N | G | | & | | F | O | R | W | A | R | D | I | N | G | |
| S | E | R | V | I | C | E | S | | I | N | | A | I | R | | & | | S | E | A | |
| E | X | P | O | R | T | , | | I | M | P | O | R | T | , | | C | O | N | S | O | L |
| I | D | A | T | I | O | N | | & | | B | R | E | A | K | | B | U | L | K | | |
| S | E | R | V | I | C | E | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |

Item Code No.
(ITC Code)

| | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

Product
Description

| | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

Item Code No.
(ITC Code)

| | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

Product
Description

| | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

P. P. MADHAVJI

— CHAIRMAN

M. V. LAKSHMINARAYANAN

— MANAGING DIRECTOR

I. G. SHAHANI

— DIRECTOR

J. D. KETKAR

— DIRECTOR

S. K. JHAVERI (Mrs.)

— COMPANY SECRETARY

Mumbai

Dated : 14th March, 1997

INDIA ALIVE TOURS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting the Eighth Annual Report and the Balance Sheet and Profit & Loss Account for the year ended 31st December, 1996.

OPERATIONS :

There were no business activities carried on throughout the financial year.

FINANCIAL RESULTS :

During the period under review, the Company did not carry on any business activities and accordingly no income was generated.

DIVIDEND :

In view of no business activities, your Directors do not propose to recommend any dividend for the period under review.

DIRECTORS :

In accordance with Article 131 of the Articles of Association, Mr. I. G. Shahani retires by rotation and being eligible offers himself for re-election.

AUDITORS :

The retiring Auditors M/s A.E. Ferguson & Co., do not offer themselves for re-appointment. The Company has received a Special Notice in writing from a member proposing the appointment of Lovelock & Lewes, Chartered Accountants, as Auditors of the Company in the place and stead of A. E. Ferguson & Co., Chartered Accountants until the conclusion of the next Annual General Meeting.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956 :

No employees were employed throughout the financial period. Therefore, the particulars required under Section 217 (2A) of the Companies Act, 1956 and, the rules framed thereunder are not furnished herewith.

The matters specified in Section 217 of the Companies Act, 1956, to the extent to which they are applicable to our Company are incorporated in this Report.

BY ORDER OF THE BOARD
P. P. MADHAVJI
Chairman

Mumbai
Dated : 14th March, 1997

Report of the Auditors to the Members of India Alive Tours Limited on the Accounts for the year ended 31st December, 1996

We have audited the attached balance sheet of India Alive Tours Limited as at 31st December, 1996 and also the profit and loss account of the Company for the year ended on that date, annexed thereto, and report that :

- 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;
- 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 the books;
- the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
- in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - in the case of the balance sheet, of the state of affairs of the Company as at 31st December, 1996;
 - in the case of the profit and loss account, of the nil profit/loss for the year ended on that date.

No report has been made under the Manufacturing and Other Companies (Auditor's Report) Order, 1988 as the Company was not engaged in any of the activities mentioned in paragraph 1(2)(a) of the said Order during the year ended 31st December, 1996.

Mumbai
Dated: 14th March, 1997.

For A. E. FERGUSON & CO.
Chartered Accountants
Y. M. KALE
Partner

INDIA ALIVE TOURS LIMITED

Balance Sheet as at 31st December, 1996

| | As at 31st December, 1996 Rs | As at 31st December, 1995 Rs |
|---|---------------------------------------|---------------------------------------|
| I. SOURCES OF FUNDS : | | |
| SHAREHOLDERS' FUNDS : | | |
| Share capital : | | |
| Authorised : | | |
| 500,000 Equity shares of Rs.10/- each | 50,00,000 | 50,00,000 |
| Issued and subscribed : | | |
| 3 Equity shares of Rs.10/- each fully paid-up, all held by the holding company, Thomas Cook (India) Limited and its nominees | 30 | 30 |
| TOTAL | 30 | 30 |
| II. APPLICATION OF FUNDS: | | |
| CURRENT ASSETS, LOANS AND ADVANCES : | | |
| Current assets : | | |
| Cash and bank balances | 30 | 30 |
| Cash on hand | 30 | 30 |
| TOTAL | 30 | 30 |

The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given in the annexure.

Per our report attached
For A. E. FERGUSON & CO.
Chartered Accountants
Y. M. KALE
Partner
Mumbai
Dated : 14th March, 1997

P. P. MADHAVJI — CHAIRMAN
J. D. KETKAR — DIRECTOR
I. G. SHAHANI — DIRECTOR
Mumbai
Dated : 14th March, 1997

Profit and Loss Account for the year ended 31st December, 1996

| | Year ended 31st December, 1996 Rs | Year ended 31st December, 1995 Rs |
|--------------------|---|---|
| INCOME | NIL | NIL |
| EXPENDITURE | NIL | NIL |

The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given in the annexure.

Per our report attached to the balance sheet

For A. E. FERGUSON & CO.
Chartered Accountants
Y. M. KALE
Partner
Mumbai
Dated : 14th March, 1997

P. P. MADHAVJI — CHAIRMAN
J. D. KETKAR — DIRECTOR
I. G. SHAHANI — DIRECTOR
Mumbai
Dated : 14th March, 1997

Annexure referred to in the balance sheet as at 31st December, 1996 and the profit and loss account for the year ended on that date

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(During the financial year as there were no business activities, the details to the extent applicable are furnished)

I. Registration Details

Registration No.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | 1 | - | 5 | 4 | 7 | 6 | 0 |
|---|---|---|---|---|---|---|---|

 State Code

| | |
|---|---|
| 1 | 1 |
|---|---|

Balance Sheet Date

| | |
|---|---|
| 3 | 1 |
|---|---|

| | |
|---|---|
| 1 | 2 |
|---|---|

| | |
|---|---|
| 9 | 6 |
|---|---|

II. Position of Mobilisation and Deployment of Funds (Amount in Rs)

Total Liabilities

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | 3 | 0 |
|---|---|---|---|---|---|---|---|

 Total Assets

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | 3 | 0 |
|---|---|---|---|---|---|---|---|

Sources of Funds

Paid-up Capital

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | 3 | 0 |
|---|---|---|---|---|---|---|---|

Application of Funds

Net Current Assets

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| - | - | - | - | - | - | 3 | 0 |
|---|---|---|---|---|---|---|---|

P. P. MADHAVJI — CHAIRMAN
I. G. SHAHANI — DIRECTOR
J. D. KETKAR — DIRECTOR
Mumbai
Dated : 14th March, 1997

THOMAS COOK TOURS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting the Eighth Annual Report and the Balance Sheet and Profit & Loss Account for the year ended 31st December, 1996.

OPERATIONS :

There were no business activities carried on throughout the financial year.

FINANCIAL RESULTS :

During the period under review, the Company did not carry on any business activities and accordingly no income was generated.

DIVIDEND :

In view of no business activities, your Directors do not propose to recommend any dividend for the period under review.

DIRECTORS :

In accordance with Article 131 of the Articles of Association, Mr I. G. Shahani retires by rotation and being eligible offers himself for re-election.

AUDITORS :

The retiring Auditors M/s A.F. Ferguson & Co., do not offer themselves for re-appointment. The Company has received a Special Notice in writing from a member proposing the appointment of Lovelock & Lewes, Chartered Accountants, as Auditors of the Company in the place and stead of A. F. Ferguson & Co., Chartered Accountants until the conclusion of the next Annual General Meeting.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956 :

No employees were employed throughout the financial period. Therefore, the particulars required under Section 217 (2A) of The Companies Act, 1956 and, the rules framed thereunder are not furnished herewith.

The matters specified in Section 217 of the Companies Act, 1956, to the extent to which they are applicable to our Company are incorporated in this Report.

BY ORDER OF THE BOARD

Mumbai
Dated : 14th March, 1997

P. P. MADHAVJI
Chairman

Report of the Auditors to the Members of Thomas Cook Tours Limited on the Accounts for the year ended 31st December, 1996

We have audited the attached balance sheet of Thomas Cook Tours Limited as at 31st December, 1996 and also the profit and loss account of the Company for the year ended on that date, annexed thereto, and report that :

- 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;
- 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 the books;
- the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
- in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - in the case of the balance sheet, of the state of affairs of the Company as at 31st December, 1996; and
 - in the case of the profit and loss account, of the nil profit/loss for the year ended on that date.

No report has been made under the Manufacturing and Other Companies (Auditor's Report) Order, 1988 as the Company was not engaged in any of the activities mentioned in paragraph 1(2)(a) of the said Order during the year ended 31st December, 1996.

For A. F. FERGUSON & CO.
Chartered Accountants
Y. M. KALE
Partner

Mumbai
Dated: 14th March, 1997

THOMAS COOK TOURS LIMITED

Balance Sheet as at 31st December, 1996

| | As at 31st December, 1996 Rs | As at 31st December, 1995 Rs |
|---|---------------------------------------|---------------------------------------|
| I. SOURCES OF FUNDS : | | |
| SHAREHOLDERS' FUNDS : | | |
| Share capital : | | |
| Authorised : | | |
| 500,000 Equity shares of Rs 10/- each | 50,00,000 | 50,00,000 |
| Issued and subscribed : | | |
| 3 Equity shares of Rs 10/- each fully paid-up, all held by the holding company, Thomas Cook (India) Limited and its nominees | 30 | 30 |
| TOTAL | 30 | 30 |

II. APPLICATION OF FUNDS:

CURRENT ASSETS, LOANS AND ADVANCES :

| | | |
|------------------------|-----------|-----------|
| Current assets : | | |
| Cash and bank balances | | |
| Cash on hand | 30 | 30 |
| TOTAL | 30 | 30 |

The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given in the annexure.

Per our report attached

For A. F. FERGUSON & CO.

Chartered Accountants

Y. M. KALE

Partner

Mumbai

Dated : 14th March, 1997

P. P. MADHAVJI — CHAIRMAN

J. D. KETKAR — DIRECTOR

I. G. SHAHANI — DIRECTOR

Mumbai

Dated : 14th March, 1997

Profit and Loss Account for the year ended 31st December, 1996

| | Year ended 31st December, 1996 Rs | Year ended 31st December, 1995 Rs |
|--------------------|---|---|
| INCOME | NIL | NIL |
| EXPENDITURE | NIL | NIL |

The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given in the annexure.

Per our report attached to the balance sheet

For A. F. FERGUSON & CO.

Chartered Accountants

Y. M. KALE

Partner

Mumbai

Dated : 14th March, 1997

P. P. MADHAVJI — CHAIRMAN

J. D. KETKAR — DIRECTOR

I. G. SHAHANI — DIRECTOR

Mumbai

Dated : 14th March, 1997

Annexure referred to in the balance sheet as at 31st December, 1996 and the profit and loss account for the year ended on that date BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(During the financial year as there were no business activities, the details to the extent applicable are furnished)

I. Registration Details

Registration No. 11-54761 State Code 11

Balance Sheet Date 31 12 96
Date Month Year

II. Position of Mobilisation and Deployment of Funds (Amount in Rs.)

Total Liabilities Total Assets

- - - - - 3 0 - - - - - 3 0

Sources of Funds

Paid-up Capital

- - - - - 3 0

Application of Funds

Net Current Assets

- - - - - 3 0

P. P. MADHAVJI — CHAIRMAN

I. G. SHAHANI — DIRECTOR

J. D. KETKAR — DIRECTOR

Mumbai

Dated : 14th March, 1997

INDIAN HORIZON TRAVEL & TOURS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting the Eighth Annual Report and the Balance Sheet and Profit & Loss Account for the year ended 31st December, 1996.

OPERATIONS :

There were no business activities carried on throughout the financial year.

FINANCIAL RESULTS :

During the period under review, the Company did not carry on any business activities and accordingly no income was generated.

DIVIDEND :

In view of no business activities, your Directors do not propose to recommend any dividend for the period under review.

DIRECTORS :

In accordance with Article 131 of the Articles of Association, Mr I. G. Shahani retires by rotation and being eligible offers himself for re-election.

AUDITORS :

The retiring Auditors M/s A.F. Ferguson & Co., do not offer themselves for re-appointment. The Company has received a Special Notice in writing from a member proposing the appointment of Lovelock & Lewes, Chartered Accountants, as Auditors of the Company in the place and stead of A. F. Ferguson & Co., Chartered Accountants until the conclusion of the next Annual General Meeting.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956 :

No employees were employed throughout the financial period. Therefore, the particulars required under Section 217 (2A) of the Companies Act, 1956 and, the rules framed thereunder are not furnished herewith.

The matters specified in Section 217 of the Companies Act, 1956, to the extent to which they are applicable to our Company are incorporated in this Report.

Mumbai
Dated : 14th March, 1997

BY ORDER OF THE BOARD
P. P. MADHAVJI
Chairman

Report of the Auditors to the Members of Indian Horizon Travel & Tours Limited on the Accounts for the year ended 31st December, 1996

We have audited the attached balance sheet of Indian Horizon Travel & Tours Limited as at 31st December, 1996 and also the profit and loss account of the Company for the year ended on that date, annexed thereto, and report that :

- 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;
- 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 the books;
- the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
- in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - in the case of the balance sheet, of the state of affairs of the Company as at 31st December, 1996; and
 - in the case of the profit and loss account, of the nil profit/loss for the year ended on that date.

No report has been made under the Manufacturing and Other Companies (Auditor's Report) Order, 1988 as the Company was not engaged in any of the activities mentioned in paragraph 1(2)(a) of the said Order during the year ended 31st December, 1996.

Mumbai
Dated: 14th March, 1997

For A. F. FERGUSON & CO.
Chartered Accountants
Y. M. KALE
Partner

INDIAN HORIZON TRAVEL & TOURS LIMITED

Balance Sheet as at 31st December, 1996

| | As at 31st December, 1996 Rs | As at 31st December, 1995 Rs |
|---|---------------------------------------|---------------------------------------|
| I. SOURCES OF FUNDS : | | |
| SHAREHOLDERS' FUNDS : | | |
| Share capital : | | |
| Authorised : | | |
| 500,000 Equity shares of Rs 10/- each | 50,00,000 | 50,00,000 |
| Issued and subscribed : | | |
| 3 Equity shares of Rs 10/- each fully paid-up, all held by the holding company, Thomas Cook (India) Limited and its nominees | 30 | 30 |
| TOTAL | 30 | 30 |
| II. APPLICATION OF FUNDS: | | |
| CURRENT ASSETS, LOANS AND ADVANCES : | | |
| Current assets : | | |
| Cash and bank balances | | |
| Cash on hand | 30 | 30 |
| TOTAL | 30 | 30 |

The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given in the annexure.

Per our report attached
For A. F. FERGUSON & CO.

Chartered Accountants
Y. M. KALE
Partner
Mumbai
Dated : 14th March, 1997

P. P. MADHAVJI — CHAIRMAN
J. D. KETKAR — DIRECTOR
I. G. SHAHANI — DIRECTOR
Mumbai
Dated : 14th March, 1997

Profit and Loss Account for the year ended 31st December, 1996

| | Year ended 31st December, 1996 Rs. | Year ended 31st December, 1995 Rs. |
|--------------------|--|--|
| INCOME | NIL | NIL |
| EXPENDITURE | NIL | NIL |

The balance sheet abstract and Company's general business profile as required by Part IV to Schedule VI to the Companies Act, 1956 are given in the annexure.

Per our report attached
to the balance sheet
For A. F. FERGUSON & CO.

Chartered Accountants
Y. M. KALE
Partner
Mumbai
Dated : 14th March, 1997

P. P. MADHAVJI — CHAIRMAN
J. D. KETKAR — DIRECTOR
I. G. SHAHANI — DIRECTOR
Mumbai
Dated : 14th March, 1997

Annexure referred to in the balance sheet as at 31st December, 1996 and the profit and loss account for the year ended on that date BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(During the financial year as there were no business activities, the details to the extent applicable are furnished)

I. Registration Details

Registration No. 11-54765 State Code 11

Balance Sheet Date 31/12/96
Date Month Year

II. Position of Mobilisation and Deployment of Funds (Amount in Rs.)

Total Liabilities 30 Total Assets 30

Sources of Funds Paid-up Capital 30

Application of Funds Net Current Assets 30

P. P. MADHAVJI — CHAIRMAN
I. G. SHAHANI — DIRECTOR
J. D. KETKAR — DIRECTOR
Mumbai
Dated : 14th March, 1997

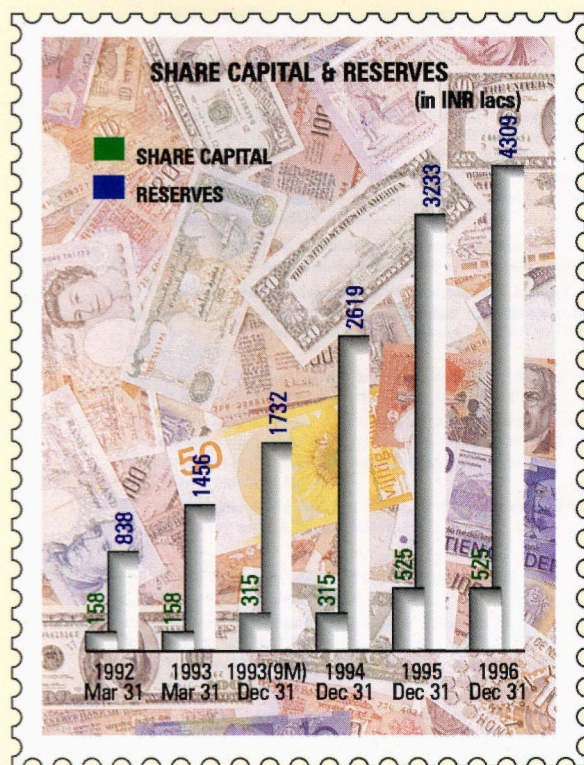
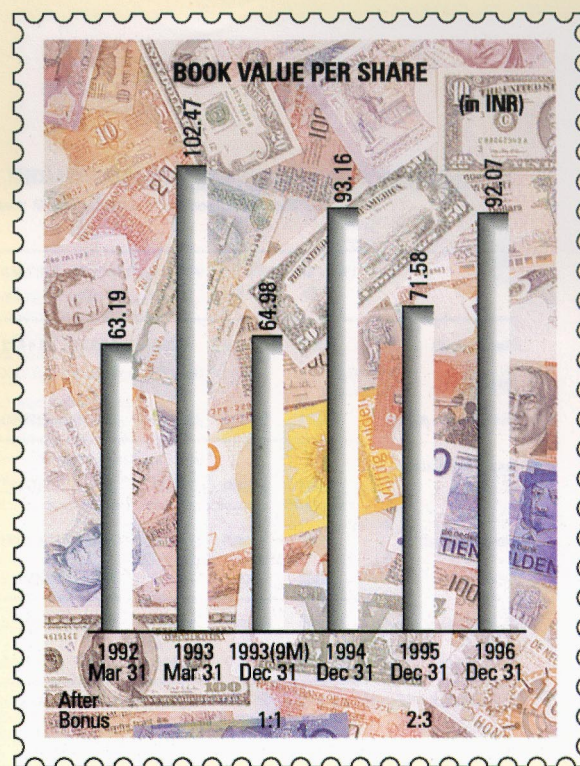
THOMAS COOK (INDIA) LIMITED

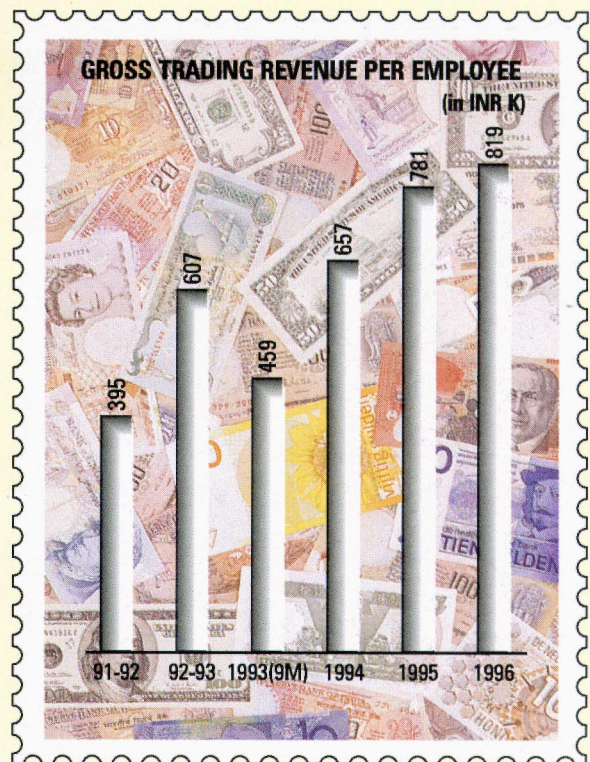
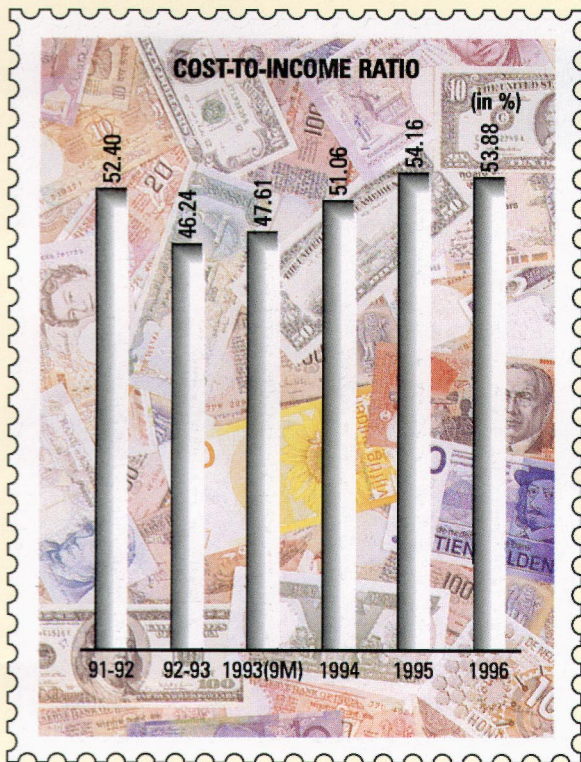
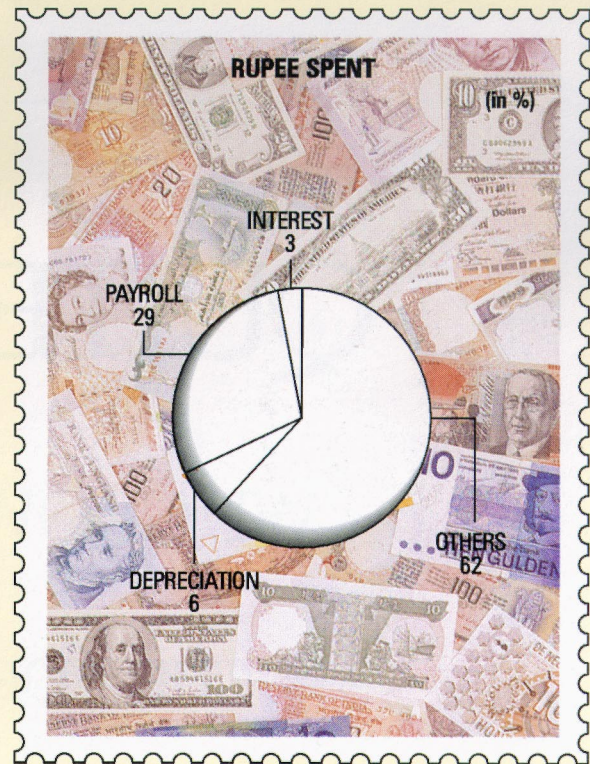
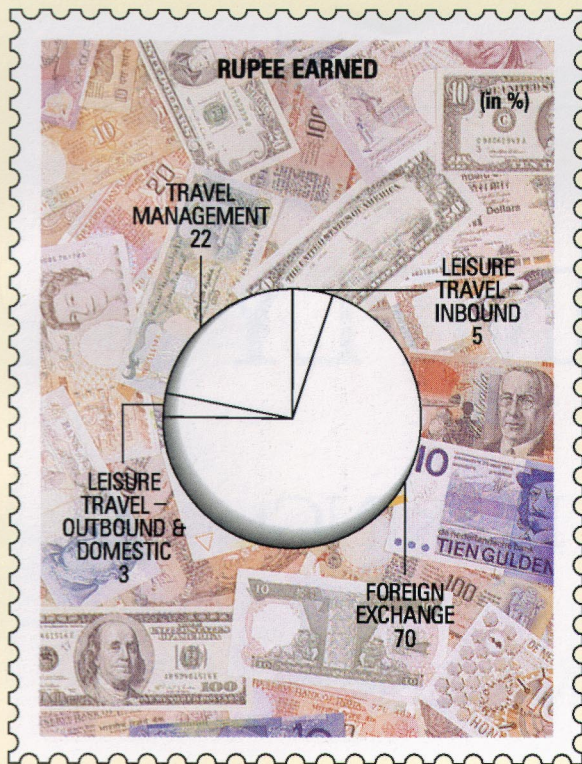
(Rs. in thousands)

| | 1983/84 | 1984/85 | 1985/86 | 1986/87 | 1987/88 | 1988/89 | 1989/90 | 1990/91 | 1991/92 | 1992/93 | 1993 | 1994 | 1995 | 1996 |
|--|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------------------|--------|--------|--------|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Fixed Assets | 6328 | 7349 | 8286 | 10224 | 14432 | 31948 | 40212 | 50327 | 58672 | 67569 | 86403 | 117354 | 124866 | 267181 |
| Investments | — | — | — | — | — | — | — | — | — | — | — | 2500 | 2500 | 2500 |
| Net Current Assets | 18671 | 22211 | 30777 | 30090 | 32000 | 60762 | 79301 | 93915 | 136944 | 291838 | 300158 | 295043 | 467014 | 444299 |
| Total Application of Funds | 24999 | 29560 | 39063 | 40314 | 46432 | 92710 | 119513 | 144242 | 195616 | 359407 | 386561 | 414897 | 594380 | 713980 |
| Share Capital | 7000 | 7000 | 7000 | 7000 | 10500 | 10500 | 10500 | 15750 | 15750 | 15750 | 31500 | 31500 | 52500 | 52500 |
| Reserves | 8362 | 11081 | 15260 | 21549 | 28874 | 36975 | 48098 | 59095 | 83784 | 145635 | 173175 | 261944 | 323298 | 430883 |
| Shareholders' Funds | 15362 | 18081 | 22260 | 28549 | 39374 | 47475 | 58598 | 74845 | 99534 | 161385 | 204675 | 293444 | 375798 | 483383 |
| Loan Funds | 9637 | 11479 | 16803 | 11765 | 7058 | 45235 | 60915 | 69397 | 96082 | 198022 | 181886 | 121453 | 218582 | 230597 |
| Total Source of Funds | 24999 | 29560 | 39063 | 40314 | 46432 | 92710 | 119513 | 144242 | 195616 | 359407 | 386561 | 414897 | 594380 | 713980 |
| Total Income | (6 mths.) 11775 | 29025 | 40259 | 45469 | 50818 | 63126 | 88202 | 101680 | 166653 | 272420 | (9 mths.) 231566 | 346389 | 445721 | 541850 |
| Total Expenditure | 8607 | 22286 | 28875 | 32204 | 36301 | 44200 | 59429 | 67507 | 87321 | 125982 | 110251 | 176884 | 241415 | 291928 |
| Profit Before Taxation | 3168 | 6739 | 11384 | 13265 | 14517 | 18926 | 28773 | 34173 | 79332 | 146438 | 121315 | 169505 | 204306 | 249922 |
| Profit available for Appropriation (After Tax & Adjustments for prior years, if any) | 2687 | 3839 | 5299 | 7549 | 8620 | 10726 | 14273 | 20185 | 30202 | 68938 | 54315 | 102944 | 108604 | 136460 |
| Retained Earnings for the year | 2197 | 2719 | 4179 | 6289 | 6520 | 8101 | 11123 | 16247 | 24689 | 61850 | 43290 | 88769 | 82354 | 107585 |
| Dividend Paid/Payable | 490 | 1120 | 1120 | 1260 | 2100 | 2625 | 3150 | 3938 | 5513 | 7088 | 11025 | 14175 | 26250 | 28875 |
| Dividend Percentage | 14 | 16 | 16 | 18 | *20 | 25 | 30 | *25 | 35 | 45 | *35 | 45 | *50 | 55 |

* On the increased Capital Base

RS. Shareholders may please address all their correspondence pertaining to Share Transfers, Dividend Warrants, etc., to the Company's Share Transfer Registrars, viz. Tata Share Registry Limited, Army & Navy Building, 148, Mahatma Gandhi Road, Fort, Mumbai 400 001, rather than addressing it to the Company. This will avoid delay in processing your transfers/letters.





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**Thomas
Cook**

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MANAGEMENT

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CHEQUES
