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## BOARD OF DIRECTORS

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**P. P. MADHAVJI**

*Chairman*

**M. L. APTE**

**H. S. BILLIMORIA**

**D. P. ROY**

**J. DONALDSON**

**L. PORTER**

**J. McEWAN**

**A. M. KAKKAR**

*Chief Executive Officer  
& Managing Director*

**J. D. KETKAR**

*Executive Director*

SECRETARY:

**R. R. KENKARE**

*Head of Legal &  
Company Secretary*

**Auditors**

Lovclock & Lewes

**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

Standard Chartered Bank

**Registered Office**

Thomas Cook Building

Dr. Dadabhai Naoroji Road

Mumbai - 400 001

**Registrar and Share Transfer Agents**

Tata Share Registry Ltd.

Army Navy Building

148, M. G. Road

Fort, Mumbai - 400 001

## Directors' Report

### TO THE MEMBERS:

Your Directors have pleasure in presenting the Twenty Second Annual Report, together with the Balance Sheet and the Profit and Loss Account for the year ended 31st December, 1998.

The Company has produced impressive results during the year ended 31st December, 1998. This is despite keen competition in all the areas of the Company's activities and low market enthusiasm due to general uncertain economic and political conditions prevalent in the country.

	Jan./Dec. (1998)	Jan./Dec. (1997)
(Rupees in lakhs)		
Profit before Taxation	2424.54	2158.46
Provision for Taxation	700.00	750.00
Excess provision for Taxation for earlier years written back	—	40.00
Profit after Taxation	1724.54	1448.46
Transferred to Reserve U/S. 80 HHD of the Income Tax Act, 1961	150.00	125.00
Transferred to General Reserve	1000.00	1000.00
Proposed Dividend	437.50	393.75

All the core activities of the Company fared well during the year. Your Company has expanded its geographical base with three new offices. One at Baroda, the second at Chinchwad, Pune and the third at Delhi's C 33 Connaught Place which is equipped with touch – screen kiosks for interactive information dissemination. This takes your Company's strength to 43 offices in 14 cities across the country.

The performance by Foreign Exchange business has been exceptionally good with a good inflow of foreign currency as a results of aggressive marketing efforts. This enabled the Company to negate the impact of a recessionary economic trend. During the year under review, the Company successfully established its first ever implant with State Bank of India at Calangute, Goa. In the last quarter of the year, your Company also launched Visa Travel Money Card, a pre-paid ATM card which enables the traveller to withdraw local currency from more than 44,000 Visa ATMs(cash dispensers) across 117 countries worldwide. This facility is available 24 hours a day, 365 days a year. The Moneygram service launched in the previous year has seen encouraging inflow of remittances.

Your Company's leisure travel division - Thomas Cook Holidays, too fared well with its wide range of exciting and affordable packages for international and domestic tours. The Company continues to be the General Sales Agent for prominent principals such as Cosmos Tourama of UK, Star Cruise and Cunard Cruise Lines and the Selling Agent for Club Med.

In the Corporate Travel segment, the Company is focusing on providing travel management services to large multinationals, blue chip companies and corporates to enable efficient optimization of their travel budgets.

Your Directors are pleased to inform that your CEO & Managing Director, Mr. Ashwini Kakkar, has been appointed as a member of the Executive Committee, Thomas Cook

Group. The primary role of this committee is to focus on the development and effective implementation of a coherent business strategy and to provide a clear, decisive and responsive leadership to the Group which in turn will benefit your Company.

The Directors are also pleased to inform that the Federation of Indian Chamber of Commerce and Industry (FICCI) has nominated your Company's Chairman, Mr. Pradip Madhavji to head the Tourism Committee of FICCI. In the past couple of years, FICCI has provided your Company with a platform to project the image of your Company with Tourism and other related authorities of the Government of India. It now wishes to focus greater attention on tourism promotion particularly in the year which has been declared by the government as the "Visit India Year".

During the year under review, your Company has invested over Rs. 6 Crores in revamping its technology, not only to address the way business is carried on in a changing Global market place but also to ensure that the systems address the millenium date change and other associated problem dates.

Your Company attaches the highest priority to the millenium project and constant communication with staff and other public is undertaken on this subject.

### DIVIDEND :

Your Directors are pleased to recommend a dividend of 50%. The dividend absorbs Rs. 4,37,50,000/-.

**DIRECTORS :**

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

**NOTES TO ACCOUNTS :**

**AUDITORS :**

**SUBSIDIARY COMPANIES :**

**PARTICULARS REGARDING  
FOREIGN EXCHANGE EARNINGS  
AND EXPENDITURE :**

During the year, the Company has incurred expenditure in foreign currencies towards interest and bank charges, Professional fees as well as travelling for promotional activities, subscriptions, etc., as disclosed as per Schedule “L”, Note 9.

**EMPLOYEES :**

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

BY ORDER OF THE BOARD

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## Auditors' Report

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### To the Members of Thomas Cook (India) Limited

1. We have audited the attached balance sheet of Thomas Cook (India) Limited as at 31st December, 1998 and the annexed profit and loss account for the year ended on that date, which are in agreement with the books of account.
  2. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, and on the basis of such checks of books and records as we considered appropriate and the information and explanations given to us during the course of our audit, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
  3. Further to our comments in the Annexure referred to in paragraph 2 above :
- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
  - (iii) in our opinion, the profit and loss account and balance sheet comply with the accounting standards as referred to in Section 211(3C) of the Companies Act, 1956;
  - (iv) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and 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, 1998;
  - 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 Lovelock & Lewes  
Chartered Accountants

SANJAY HEGDE  
Partner

Mumbai  
Dated : 24th February, 1999

## Annexure to the Auditors' Report

### **Annexure referred to in paragraph 2 of the Auditors' Report to the Members of Thomas Cook (India) Limited on the Accounts for the year ended 31st December, 1998**

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, secured or unsecured, from companies, firms or parties listed in the register maintained under Section 301 or from companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956, where the rate of interest and other terms and conditions are, in our opinion, *prima facie* prejudicial to the interest of the Company.
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 company where no stipulations have been made for the recovery of the principal amounts. This amount stands recovered.
6. 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. 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. The Company has an internal audit system commensurate with the size and the nature of its business.
10. The Company has been regular in depositing the Provident Fund and Employees' State Insurance dues with the appropriate authorities.
11. No undisputed amounts payable in respect of income-tax, wealth tax, sales tax, and customs duty were outstanding as at 31st December, 1998 for a period of more than six months from the date they became payable.
12. 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 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.
14. The Company is not a Sick Industrial Company within the meaning of Clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
15. As per the information and explanations given to us and taking into consideration the nature of the business of the Company, clauses (iii), (iv), (v), (vi), (xii), (xiv) and (xvi) of paragraph 4(A), clauses (i) and (ii) of paragraph 4(C), clauses (i), (ii), (iii) and (iv) of paragraph 4(D) are not applicable to the Company for the current year.

For Lovelock & Lewes  
Chartered Accountants

SANJAY HEGDE  
Partner

Mumbai  
Dated : 24th February, 1999

## Balance Sheet as at 31st December, 1998

	Schedule	As at 31st December, 1998 Rs.	As at 31st December, 1997 Rs.
<b>I. SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUNDS :</b>			
Share capital	A	8,75,00,000	8,75,00,000
Reserves and surplus	B	62,17,44,407	49,74,15,676
		<u>70,92,44,407</u>	<u>58,49,15,676</u>
<b>LOAN FUNDS :</b>			
Secured loans	C	22,98,34,487	16,05,55,775
Unsecured loans	D	33,73,96,613	18,69,68,246
		<u>56,72,31,100</u>	<u>34,75,24,021</u>
<b>TOTAL :</b>		<u><u>1,27,64,75,507</u></u>	<u><u>93,24,39,697</u></u>
<b>II. APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS :</b>			
Gross block	E	52,23,88,810	43,29,51,830
Less : Depreciation		<u>10,30,86,250</u>	<u>8,38,59,133</u>
Net block		41,93,02,560	34,90,92,697
Advances for capital expenditure		<u>1,06,28,329</u>	<u>36,04,912</u>
		<u>42,99,30,889</u>	<u>35,26,97,609</u>
<b>INVESTMENTS</b>	F	<u>25,00,090</u>	<u>25,00,090</u>
<b>CURRENT ASSETS, LOANS AND ADVANCES :</b>			
Sundry debtors	G1	19,71,45,749	19,39,64,134
Cash and bank balances	G2	92,33,88,613	77,95,23,596
Loans and advances	G3	15,85,32,807	14,01,07,989
		<u>1,27,90,67,169</u>	<u>1,11,35,95,719</u>
<b>LESS : CURRENT LIABILITIES AND PROVISIONS :</b>			
Current liabilities	H1	38,68,97,641	49,30,41,221
Provisions	H2	<u>4,81,25,000</u>	<u>4,33,12,500</u>
		<u>43,50,22,641</u>	<u>53,63,53,721</u>
<b>NET CURRENT ASSETS</b>		<u>84,40,44,528</u>	<u>57,72,41,998</u>
<b>TOTAL :</b>		<u><u>1,27,64,75,507</u></u>	<u><u>93,24,39,697</u></u>

**Notes to the accounts**

Schedules "A" to "H2" and "L" referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For Lovelock & Lewes  
Chartered Accountants

SANJAY HEGDE  
Partner

Mumbai  
Dated : 24th February, 1999

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P. P. MADHAVJI	—	CHAIRMAN
A. M. KAKKAR	—	CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR
J. D. KETKAR	—	EXECUTIVE DIRECTOR & COMPANY SECRETARY

Mumbai  
Dated : 24th February, 1999



# Profit and Loss Account for the year ended 31st December, 1998

	Schedule	Year ended 31st December, 1998 Rs.	Year ended 31st December, 1997 Rs.
<b>INCOME :</b>			
Turnover		72,25,53,641	54,54,41,275
Other income	I	2,98,18,250	2,14,64,504
<b>TOTAL :</b>		<u>75,23,71,891</u>	<u>56,69,05,779</u>
<b>EXPENDITURE :</b>			
Personnel expenses	J	14,54,05,456	11,43,10,270
Other expenses	K	32,78,41,004	21,09,96,023
Depreciation	E	3,66,71,700	2,57,53,946
<b>TOTAL :</b>		<u>50,99,18,160</u>	<u>35,10,60,239</u>
Profit before taxation		24,24,53,731	21,58,45,540
Provision for taxation		7,00,00,000	7,50,00,000
Add : Excess provision for taxation for earlier years written back		—	40,00,000
Profit after taxation		17,24,53,731	14,48,45,540
Transferred to reserve (Net) as required under section 80HHD of the Income-tax Act, 1961		30,00,000	65,00,000
		<u>16,94,53,731</u>	<u>13,83,45,540</u>
Balance brought forward from last year		1,40,29,697	1,89,96,657
Amount available for appropriations		18,34,83,428	15,73,42,197
Less : appropriations			
Proposed dividend		4,37,50,000	3,93,75,000
Corporate dividend tax		43,75,000	39,37,500
Transferred to general reserve		10,00,00,000	10,00,00,000
Balance carried to balance sheet		<u>3,53,58,428</u>	<u>1,40,29,697</u>

Notes to the accounts L  
Schedules "E", "I" to "K" and "L" referred to above form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date

For Lovelock & Lewes  
Chartered Accountants

P. P. MADHAVJI — CHAIRMAN  
A. M. KAKKAR — CHIEF EXECUTIVE OFFICER &  
MANAGING DIRECTOR  
J. D. KETKAR — EXECUTIVE DIRECTOR &  
COMPANY SECRETARY

SANJAY HEGDE  
Partner

Mumbai  
Dated : 24th February, 1999

Mumbai  
Dated : 24th February, 1999



## Schedules forming part of the balance sheet as at 31st December, 1998

	Rs.	As at 31st December, 1998 Rs.	As at 31st December, 1997 Rs.
<b>SCHEDULE "A" : SHARE CAPITAL :</b>			
Authorised :			
2,00,00,000 Equity shares of Rs.10/- each		20,00,00,000	20,00,00,000
Issued and subscribed :			
87,50,000 Equity shares of Rs.10/- each fully paid-up		8,75,00,000	8,75,00,000
1) 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			
2) includes 80,50,000 Equity share issued as fully paid-up bonus shares by capitalisation of general reserve and capital reserve			
<b>SCHEDULE "B" : RESERVES AND SURPLUS :</b>			
<b>Reserve as required under Section 80HHD of the Income-tax Act, 1961 :</b>			
Balance as per last balance sheet	10,45,00,000		9,80,00,000
Add: transferred from profit and loss account	1,50,00,000		1,25,00,000
	11,95,00,000		11,05,00,000
Less : transferred to profit and loss account	1,20,00,000		60,00,000
		10,75,00,000	10,45,00,000
<b>General reserve :</b>			
Balance as per last balance sheet	37,88,85,979		31,38,85,979
Less: capitalised for issue of bonus shares	—		3,50,00,000
	37,88,85,979		27,88,85,979
Add: transferred from profit and loss account	10,00,00,000		10,00,00,000
		47,88,85,979	37,88,85,979
<b>Balance in profit and loss account</b>		3,53,58,428	1,40,29,697
		62,17,44,407	49,74,15,676
<b>SCHEDULE "C" : SECURED LOANS :</b>			
Overdraft from banks		22,98,34,487	16,05,55,775
(Secured by hypothecation of book debts, stock of currencies and paid documents)			
<b>SCHEDULE "D" : UNSECURED LOANS :</b>			
Overdraft from banks		15,26,78,393	7,58,42,293
Commercial paper		10,00,00,000	—
(payable within one year Rs.10,00,00,000 previous year Nil)			
Foreign currency loan from others		6,37,20,000	9,83,25,000
(payable within one year Rs.4,24,80,000 previous year Rs. 3,93,33,000)			
From Deutsche Bank AG, Frankfurt, Germany		8,99,086	47,16,183
(temporary overdraft in normal course of business)			
From First Chicago International Bank, USA		—	6,53,161
(temporary overdraft in normal course of business)			
From Bank of New York, USA		2,00,27,343	74,31,609
(temporary overdraft in normal course of business)			
From Credit Suisse, Zurich		71,791	—
(temporary overdraft in normal course of business)			
		33,73,96,613	18,69,68,246

## Schedules forming part of the balance sheet as at 31st December, 1998

### SCHEDULE "E" : FIXED ASSETS

Details	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as at 31st December, 1997	Additions during the year	Disposal/ Adjustments	Cost as at 31st December, 1998	Upto 31st December, 1997	For the year	On Deductions	As at 31st December, 1998	As at 31st December, 1997
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold properties	1,43,30,787	76,82,500	—	2,20,13,287	29,68,158	57,03,708	—	86,71,866	1,33,41,421
Freehold premises #	22,91,29,607	1,32,98,198	—	24,24,27,805	81,86,552	37,42,008	—	1,19,28,560	23,04,99,245
Strong room	4,43,252	—	—	4,43,252	3,19,889	28,058	—	3,47,947	95,305
Furniture and fixtures	6,02,86,737	1,71,90,104	15,67,188	7,59,09,653	1,44,14,162	53,99,619	8,38,452	1,89,75,329	5,69,34,324
Computers	6,88,34,348	6,42,78,859	1,64,29,982	11,66,83,225	4,20,64,673	1,62,93,779	1,46,35,957	4,37,22,495	7,29,60,730
Office equipment	3,76,25,614	78,65,391	28,75,643	4,26,15,362	92,58,772	21,51,722	13,86,594	1,00,23,900	3,25,91,462
Vehicles	2,23,01,485	10,84,722	10,89,981	2,22,96,226	66,46,927	33,52,806	5,83,580	94,16,153	1,28,80,073
GRAND TOTAL	43,29,51,830	11,13,99,774	2,19,62,794	52,23,88,810	8,38,59,133	3,66,71,700	1,74,44,583	10,30,86,250	41,93,02,560
Previous year	32,07,40,139	11,76,18,465	54,06,774	43,29,51,830	6,13,74,294	2,57,53,946	32,69,107	8,38,59,133	34,90,92,697

NOTE : # Cost of Freehold premises includes:

- 115 unquoted fully paid shares in various co-operative societies amounting to Rs. 6,000/-.
- Cost of premises amounting to Rs. 1,09,01,260/- where the Company is yet to be admitted as a member of the co-operative society.
- Rs. 2,540/- towards share application money to various co-operative societies.
- Rs. 94,71,416/- for premises on freehold land where the Company is yet to be registered as the owner of a proportionate share in land.
- Rs. 14,16,71,670/- for premises where the co-operative society is yet to be formed.
- Additions during the year includes exchange difference on account of realignment of foreign currency liability Rs. 71,60,000/- (previous year Rs. 86,50,000/-)

## Schedules forming part of the balance sheet as at 31st December, 1998

	As at 31st December, 1998 Rs.	As at 31st December, 1997 Rs.
<b>SCHEDULE "F" : INVESTMENTS (Long-term) :</b>		
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>
 <b>SCHEDULE "G1": SUNDRY DEBTORS :</b>		
Unsecured, considered good*		
Outstanding exceeding six months	29,92,422	64,40,065
Others	19,41,53,327	18,75,24,069
	<u>19,71,45,749</u>	<u>19,39,64,134</u>
 Unsecured, considered doubtful		
Outstanding exceeding six months	1,58,11,447	85,84,600
	<u>1,58,11,447</u>	<u>85,84,600</u>
	21,29,57,196	20,25,48,734
Less : Provision for doubtful debts	1,58,11,447	85,84,600
	<u>19,71,45,749</u>	<u>19,39,64,134</u>

\*[refer Schedule "L", note 12(a)]

## Schedules forming part of the balance sheet as at 31st December, 1998

	Rs.	As at 31st December, 1998 Rs.	As at 31st December, 1997 Rs.
<b>SCHEDULE "G2" : CASH AND BANK BALANCES :</b>			
Cash and cheques on hand (including foreign currencies-notes and paid documents)		22,97,10,694	20,31,86,863
Remittances in transit:			
Foreign currencies - Notes and paid documents	61,60,64,978		51,79,14,546
Less : provision for lost remittances	<u>26,55,923</u>		<u>3,17,000</u>
		61,34,09,055	51,75,97,546
Balances with scheduled banks :			
On current account		2,15,92,350	1,91,03,718
On fixed deposit		5,86,76,514	3,69,96,033
Balances with non-scheduled banks			
On current account with Credit Suisse, Zurich [maximum balance during the year Rs.84,51,488 (previous year Rs.49,16,308)]		—	26,39,436
		<u>92,33,88,613</u>	<u>77,95,23,596</u>
<b>SCHEDULE "G3" : LOANS AND ADVANCES :</b>			
(Unsecured, considered good)			
Advances recoverable in cash or in kind or for value to be received [refer Schedule "L", note 12(b)]		13,05,46,070	11,75,49,889
Tax payments less provisions		<u>2,79,86,737</u>	<u>2,25,58,100</u>
		<u>15,85,32,807</u>	<u>14,01,07,989</u>
<b>SCHEDULE "H1" : CURRENT LIABILITIES :</b>			
Sundry creditors		36,24,97,110	46,79,86,956
Advance payment from customers for which value is still to be given (including travellers cheques, drafts and transfers unpaid)		2,33,84,114	2,41,02,239
Balance in share application money and fractional entitlement on bonus shares refund accounts		1,42,046	1,46,163
Unclaimed dividends		<u>8,74,371</u>	<u>8,05,863</u>
		<u>38,68,97,641</u>	<u>49,30,41,221</u>
<b>SCHEDULE "H2" : PROVISIONS :</b>			
Proposed dividend		4,37,50,000	3,93,75,000
Corporate dividend tax		<u>43,75,000</u>	<u>39,37,500</u>
		<u>4,81,25,000</u>	<u>4,33,12,500</u>

## Schedules forming part of the profit and loss account for the year ended 31st December, 1998

	Year ended 31st December, 1998 Rs.	Year ended 31st December, 1997 Rs.
<b>SCHEDULE "I" : OTHER INCOME :</b>		
Interest on :		
Bank accounts (gross)	44,28,298	23,84,396
(tax deducted at source Rs. 7,50,855 previous year Rs. 1,97,981)		
Refund of tax	49,55,369	47,82,565
Others	72,944	16,343
Rent	1,33,235	1,39,509
Profit on sale of fixed assets	54,137	1,24,494
Dividend on long-term investments — from a subsidiary company (gross) (tax deducted at source Rs. NIL previous year — Rs. 6,93,375)	—	30,00,000
Exchange differences (net) other than in normal course of business as foreign exchange authorised dealers	98,76,277	43,46,353
Miscellaneous income	1,02,97,990	66,70,844
	<u>2,98,18,250</u>	<u>2,14,64,504</u>
<b>SCHEDULE "J" : PERSONNEL EXPENSES :</b>		
Salaries, wages and bonus	9,65,25,266	8,13,67,343
Contribution to provident and other funds	1,08,86,278	89,78,105
Premium on gratuity-cum-life assurance policy	20,25,131	15,76,397
Staff welfare	1,81,44,651	1,35,83,152
Staff training, recruitment & other cost	54,59,930	37,39,084
Commission to staff and directors	1,23,64,200	50,66,189
	<u>14,54,05,456</u>	<u>11,43,10,270</u>

## Schedules forming part of the profit and loss account for the year ended 31st December, 1998

	Rs.	Year ended 31st December, 1998 Rs.	Year ended 31st December, 1997 Rs.
<b>SCHEDULE "K" : OTHER EXPENSES :</b>			
Rent		1,63,57,516	1,53,36,245
Rates and taxes		5,97,368	22,12,431
Insurance		23,62,703	27,21,429
Repairs to building		1,21,007	—
Others repairs and maintenance		1,65,17,315	1,15,17,191
Electricity		97,99,568	73,32,589
Printing and stationery		1,25,07,124	1,14,88,250
Postage, telegrams, telex and telephones		3,74,59,544	2,61,26,639
Freight currency shipment		98,78,286	51,69,687
Legal and professional fees		89,24,055	54,25,276
Interest :			
on bank overdraft	2,74,96,822		1,12,90,460
on term loan	60,63,571		42,70,386
on commercial paper	9,75,513		—
others	9,54,656		2,58,432
		3,54,90,562	1,58,19,278
Auditors' remuneration :			
Audit fees	3,93,750		3,75,000
Reports under various sections of Income-tax Act, 1961	7,99,375		7,78,250
Miscellaneous Reports	1,52,100		2,76,250
Reimbursement of out-of-pocket expenses	2,11,580		10,000
		15,56,805	14,39,500
Bank charges including handling charges on remittances		1,75,51,663	1,02,09,406
Travelling and subsistence		3,40,62,161	2,47,41,693
Advertising and business promotional expenses		4,12,83,551	2,24,64,469
Brokerage and incentives		4,75,86,329	2,79,70,036
Directors' fees		1,12,000	94,000
Security services		58,37,355	33,09,235
Motor car running expenses		58,27,303	46,23,369
Miscellaneous expenses		1,06,51,966	64,96,445
Provision for bad and doubtful debts:			
Provision made during the year	88,50,647		56,08,939
Less: written back no longer required	13,75,719		11,20,944
		74,74,928	44,87,995
Provision for remittances lost in transit		23,38,923	3,17,000
Loss on fixed assets sold/scrapped		35,42,972	16,93,860
		32,78,41,004	21,09,96,023

# Notes annexed to and forming part of the balance sheet as at 31st December, 1998 and the profit and loss account for the year ended on that date

## SCHEDULE "L"

### 1. SIGNIFICANT ACCOUNTING POLICIES

- a) The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.
- b) 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 (adjusted for increase in exchange fluctuations) 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 and in the manner prescribed in Schedule XIV to the Companies Act, 1956, except that in respect of computers and vehicles of cost of more than Rs.5,000 each, the depreciation rates applied are 25 percent and 15 percent respectively. Depreciation on additions to fixed assets due to exchange fluctuations is provided over the remaining life of the assets.
  - iii) Leasehold properties are amortised over the period of the lease.
- c) Accounting for foreign currency transactions :  
 The Company is valuing all the monetary items denominated in foreign currency at the closing rate and the exchange differences (other than those relating to acquisition of fixed assets) arising out of settlement/conversion at the closing rate are recognised in the Profit and Loss Account, and the gains and losses in respect of forward exchange contracts as income or expense over the life of the contract. Exchange difference relating to purchase of fixed assets are adjusted to carrying cost of fixed assets.  
 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. Purchase and sale of foreign exchange by the Company in its capacity as authorised dealer are accounted at the rate offered by it and profit and loss arising thereon is accounted as a part of turnover.
- d) Investments :  
 Investments are stated at cost.
- e) Retirement Benefits :  
 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.
- f) Turnover :  
 Turnover comprises of travellers cheques commissions and margins on foreign exchange transactions in the normal course of business as authorised dealers, net commissions earned on Travel Management, service agency charges including profit or loss in respect of tour activities. In line with established international practice, the income arising from the buying and selling of foreign currencies has been included on the basis of margins achieved, since inclusion on their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the Company's business.

All of the Company's activities are considered to be one inter related business.

2. With regard to a Show Cause Notice dated 12th November, 1986 and two Show Cause Notices SCN II and SCN III dated 12th June, 1987 issued by the Enforcement Directorate under the Foreign Exchange Regulation Act, 1973, till date, there is no adjudication and determination, hence there is no determinable liability.  
 With respect to SCN II and SCN III dated 4th April, 1995, these have been adjudicated and charges dropped in respect of SCN III and upheld in case of SCN II and against which the Company has preferred an appeal before the Foreign Exchange Appellate Board.  
 The Company has received legal advice from its Advocates and Solicitors, who are of the opinion that the ongoing proceedings will not have any significant adverse impact on the operations of the Company.  
 Given 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. 1,36,85,897 (previous year; Rs. 83,71,872).
4. Disputed Income-tax demand Rs. 1,85,33,792 (previous year; Rs. 86,67,620).



# Notes annexed to and forming part of the balance sheet as at 31st December, 1998 and the profit and loss account for the year ended on that date

## SCHEDULE "L" (contd.)

5. Income-tax provision and payment have been made, without considering benefit of deduction under Section 80HHC of the Income-tax Act, 1961, claimed by the Company in its Income-tax returns, as such claims have not been accepted by the Income-tax department against which the Company is in appeal.
6. Effective January 1, 1998 expenses of distribution centre for distributing travellers cheques for Thomas Cook Travellers Cheques Limited, U.K. now forms a part of the income and expenses of the Company as per the new arrangement. In the previous accounting year ended 31st December, 1997 expenses incurred by the Company amounting to Rs.1,95,65,462 were not shown in the profit and loss account as these were reimbursable by and had therefore been charged to the current account of Thomas Cook Travellers Cheques Limited, U.K. and hence to that extent this years' figures are not comparable with that of the previous year.
7. In respect of forward foreign exchange contracts outstanding as at the year end, the income to be recognised in the next account period is Rs. 1,25,73,254 (previous year; Rs. 82,34,271).

	Rs.	Year ended 31st December, 1998 Rs.	Year ended 31st December, 1997 Rs.
8. Managerial Remuneration under section 198 of the Companies Act, 1956 : Whole-time directors (excluding gratuity contributed on a global basis)			
Salaries		36,95,400	28,05,500
House Rent Allowance/Perquisite		13,18,849	35,71,373
Commission		52,82,945	40,75,500
Contribution to provident and other funds		9,97,758	7,20,383
Perquisites in cash and in kind		31,70,643	24,22,723
Retirement Benefits		6,67,982	—
		<u>1,51,33,577</u>	<u>1,35,95,479</u>
Commission to non-executive directors		7,89,678	10,50,000
		<u>1,59,23,255</u>	<u>1,46,45,479</u>
Directors' fees		1,12,000	94,000
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		17,24,53,731	14,48,45,540
Add:			
Provision for taxation	7,00,00,000		7,50,00,000
Less:			
Excess provision for taxation for earlier years written back	—		40,00,000
		<u>7,00,00,000</u>	<u>7,10,00,000</u>
Remuneration to directors		1,59,23,255	1,46,45,479
Directors' fees		1,12,000	94,000
Depreciation per accounts		3,66,71,700	2,57,53,946
Loss on fixed assets sold/scrapped per accounts		35,42,972	16,93,860
Net profit on fixed assets sold/scrapped as per section 350		1,51,410	1,17,634
		<u>29,88,55,068</u>	<u>25,81,50,459</u>
Less:			
Depreciation as per section 350		5,28,73,097	3,58,62,025
Profit on sale of fixed assets per accounts		54,137	1,24,494
Net loss on fixed assets sold/scrapped as per section 350		29,51,843	7,73,374
		<u>5,58,79,077</u>	<u>3,67,59,893</u>
Net Profit		<u>24,29,75,991</u>	<u>22,13,90,566</u>
Commission payable to directors; restricted by the board of directors to		60,72,623	51,25,500

# Notes annexed to and forming part of the balance sheet as at 31st December, 1998 and the profit and loss account for the year ended on that date

	Year ended 31st December, 1998 Rs.	Year ended 31st December, 1997 Rs.
<b>SCHEDULE "L" (contd.)</b>		
9. Expenditure in foreign currency :		
Interest and bank charges	1,69,20,526	87,07,368
Professional fees	19,51,738	—
Travelling, subscription and others	80,70,825	57,52,933
10. 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	
35,00,000	31st December, 1997	1,57,50,000
21,00,000	31st December, 1996	—
		1,15,50,000
11. Earnings in foreign exchange		
(excluding reimbursement of expenses and receipts in foreign currency of foreign exchange transactions in the normal course of business as authorised dealers):		
Interest	7,96,113	7,37,505
Communication charges	8,77,016	8,15,012
Receipts from independent tours and travel	16,44,91,614	16,97,13,940
Commission on travellers cheques (refer note 6 above)	5,41,23,720	71,61,939
12(a) Sundry debtors include dues from Bodies Corporate under the same management :		
Thomas Cook Travel Services (HK) Ltd.	—	2,26,297
The Thomas Cook Group Ltd.	*	7,19,136
Thomas Cook Overseas Limited, Sri Lanka	—	280
Thomas Cook (NZ) Limited	—	23,440
Thomas Cook Travellers Cheques Ltd., U.K.	*	73,00,735
(b) 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 Limited	*	1,21,85,563
Maximum amount due for the period applicable during the year	1,21,85,563	1,21,85,563
Thomas Cook Bankers France S.A.	—	18,75,078
Maximum amount due for the period applicable during the year	30,88,844	41,15,713
Thomas Cook Travel Services (S) Pte. Limited	—	—
Maximum amount due for the period applicable during the year	6,10,768	15,70,069
Thomas Cook Australia Pty. Limited	—	—
Maximum amount due for the period applicable during the year	1,02,97,895	17,66,344
Thomas Cook Group Limited (GBP account)	—	—
Maximum amount due for the period applicable during the year	52,64,725	66,83,653
Thomas Cook Group Limited (US Dollar account)	*	—
Maximum amount due for the period applicable during the year	2,76,86,995	2,06,93,586
Thomas Cook Travel Services (HK) Limited	*	73,513
Maximum amount due for the period applicable during the year	1,42,039	73,513

\* With effect from 31st October, 1998 Section 370 of the Companies Act, 1956 became inoperative vide the Companies Amendment Ordinance, 1999.

# Notes annexed to and forming part of the balance sheet as at 31st December, 1998 and the profit and loss account for the year ended on that date

## SCHEDULE "L" (contd.)

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 below:

### I. Registration Details

Registration No. 2 0 7 1 7 / T A

State Code 1 1

Balance Sheet Date 3 1 1 2 9 8

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\*

- - 1 7 1 1 4 9 8

\* includes current liabilities

#### Total Assets\*

- - 1 7 1 1 4 9 8

\* includes current assets

#### Sources of Funds

##### Paid-up Capital

- - - 8 7 5 0 0

#### Reserves & Surplus

- - - 6 2 1 7 4 4

#### Secured Loans

- - - 2 2 9 8 3 4

#### Unsecured Loans

- - - 3 3 7 3 9 7

#### Application of Funds

##### Net Fixed Assets

- - - 4 2 9 9 3 1

##### Investments

- - - - - 2 5 0 0

##### Net Current Assets

- - - 8 4 4 0 4 4

##### Miscellaneous Expenditure

- - - N I L - - -

#### Accumulated Losses

- - - N I L - - -

# Notes annexed to and forming part of the balance sheet as at 31st December, 1998 and the profit and loss account for the year ended on that date

## SCHEDULE "L" (contd.)

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

Turnover		Total Expenditure	
- - - 7 5 2 3 7 2		- - - 5 0 9 9 1 8	
Profit / Loss before tax		Profit / Loss after tax	
+ - - - 2 4 2 4 5 4		+ - - - 1 7 2 4 5 4	
(+ for Profit, — for Loss)			
Earning per Share in Rs.		Dividend rate %	
- - 1 9 . 7 1		5 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	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 -

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

Signature to Schedules A to L

P. P. MADHAVJI — CHAIRMAN  
A. M. KAKKAR — CHIEF EXECUTIVE OFFICER &  
MANAGING DIRECTOR  
J. D. KETKAR — EXECUTIVE DIRECTOR &  
COMPANY SECRETARY

Mumbai  
Dated : 24th February, 1999

# Cash Flow Statement for the year ended 31st December, 1998

(Pursuant to the Listing Agreement with Stock Exchanges)

	1998	1997
	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
NET PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS	24,24,53,731	21,58,45,540
Adjustments for:		
Depreciation	3,66,71,700	2,57,53,946
Interest on tax refunds	(49,55,369)	(47,82,565)
Interest income	(45,01,242)	(24,00,739)
Exchange fluctuation	(9,58,459)	(9,64,390)
Dividend income	—	(30,00,000)
Profit on sale of fixed assets	(54,137)	(1,24,494)
Loss on sale of fixed assets	35,42,972	16,93,860
Interest expenses	3,54,90,562	1,58,19,278
	6,52,36,027	3,19,94,896
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	30,76,89,758	24,78,40,436
Adjustments for:		
Trade and other receivables	(1,38,09,057)	(6,39,89,142)
Trade payable/provisions	(10,54,72,613)	15,64,71,837
	(11,92,81,670)	9,24,82,695
<b>CASH GENERATED FROM OPERATIONS</b>	18,84,08,088	34,03,23,131
Interest paid	(3,62,30,037)	(1,69,16,268)
Interest received on tax refunds	45,53,635	9,50,037
Interest received	34,92,696	20,44,945
Direct taxes paid-net refund	(7,93,66,137)	(7,69,73,591)
	(10,75,49,843)	(9,08,94,877)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	8,08,58,245	24,94,28,254
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(11,36,98,191)	(10,47,58,583)
Sale of fixed assets	10,29,376	5,68,301
Dividend received	—	30,00,000
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(11,26,68,815)	(10,11,90,282)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in borrowings	21,49,82,079	10,82,76,640
Dividend paid	(3,93,06,492)	(2,88,75,000)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	17,56,75,587	7,94,01,640
<b>NET INCREASE IN CASH OR CASH EQUIVALENT (A+B+C)</b>	14,38,65,017	22,76,39,612
CASH AND CASH EQUIVALENT AS AT THE COMMENCEMENT OF THE YEAR	77,95,23,596	55,18,83,984
CASH AND CASH EQUIVALENT AS AT THE END OF THE YEAR	92,33,88,613	77,95,23,596
<b>NET INCREASE AS DISCLOSED ABOVE</b>	14,38,65,017	22,76,39,612

For and on behalf of the Board of Directors

Mumbai  
Dated : 24th February, 1999

A. M. KAKKAR  
CHIEF EXECUTIVE OFFICER  
& MANAGING DIRECTOR

## AUDITORS' CERTIFICATE

We have examined the above cash flow statement of Thomas Cook (India) Limited for the year ended 31st December, 1998. The statement has been prepared by the Company in accordance with the requirements of the listing agreement with Mumbai Stock Exchange and is based on and derived from the audited accounts of the Company for the years ended 31st December, 1997 and 31st December, 1998.

Mumbai  
Dated : 24th February, 1999

For Lovelock & Lewes  
Chartered Accountants  
SANJAY HEGDE  
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, 1998	Rs. 38,55,977	—	—	—
ii) For the Subsidiary Company's previous financial years	Rs. 34,14,320	—	—	—
(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, 1998	—	—	—	—
ii) For the Subsidiary Company's previous financial years	—	—	—	—

P. P. MADHAVJI — CHAIRMAN  
A. M. KAKKAR — CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR  
J. D. KETKAR — EXECUTIVE DIRECTOR & COMPANY SECRETARY

Mumbai  
Dated : 24th February, 1999

## Directors' Report

### TO THE MEMBERS:

Your Directors have pleasure in presenting the Sixth Annual Report, together with the Balance Sheet and Profit and Loss Account for the year ended 31st December, 1998.

### FINANCIAL RESULTS:

The Company has produced good results during the year ended on 31st December, 1998 despite keen competition affecting some of the areas of the Company's activities.

	Jan/Dec (1998)	Jan/Dec (1997)
	(Amount in Rupees)	
Profit before Taxation	62,65,977	40,10,546
Provision for Taxation	24,10,000	14,15,000
Profit after Taxation	38,55,977	25,95,546
Transferred to General Reserve	—	—
Proposed Dividend	—	—

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.

During the year under review, your Company has invested over Rs. 3 lakhs in purchase of new Y2K compliant personal computers, associated software and upgradation of old personal computers to ensure that the systems address the millenium date change and other associated problem dates.

Your company attaches the highest priority to the millenium project and

constant communication with staff and other public is undertaken on this subject.

### DIVIDEND:

Your Directors have decided to retain the net profit in the Profit & Loss Account for the future expansion of the Company.

### GENERAL RESERVE:

Your Directors have decided to retain the profits of the Company in the Profit & Loss Account. In view of this, the Reserves & Surplus have increased to Rs. 72,70,297/- as at 31st December, 1998.

### DIRECTORS:

Mr. I. G. Shahani resigned from the services of the company effective 31st December, 1998.

Your Directors place on record the valuable services rendered by Mr. Shahani during his tenure.

In accordance with Article 131 of the Articles of Association, Mr. A. Kakkar and Mr. M. V. Lakshminarayanan retires by rotation and being eligible offers themselves 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 K Note 4.

### AUDITORS:

M/s Lovelock & Lewes, Chartered Accountants, Auditors of the Company

will retire at the meeting and are eligible for re-appointment.

### 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: 22nd February, 1999.



## Auditors' Report

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### To the Members of Hindustan Cargo Limited

1. We have audited the attached balance sheet of Hindustan Cargo Limited as at 31st December, 1998 and the annexed profit and loss account for the year ended on that date, which are in agreement with the books of account.
2. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit, we give in the Annexure, a statement of the matters specified in paragraphs 4 and 5 of the above said Order.
3. Attention is invited to the matter referred to in note 2 of Schedule K.
4. Further to our comments in the Annexure referred to in paragraph 2 above :
  - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
  - (iii) in our opinion, the profit and loss account and balance sheet comply with the accounting standards as referred to in Section 211(3C) of the Companies Act, 1956;
  - (iv) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and 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, 1998;
- 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 Lovelock & Lewes  
Chartered Accountants

N. RAMESH RAJAN  
Partner

Chennai

Dated: 22nd February, 1999.

## Annexure to the Auditors' Report

**Annexure referred to in paragraph 2 of the Auditors' Report to the members of Hindustan Cargo Limited on the accounts for the year ended 31st December, 1998.**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. The fixed assets of the Company are physically verified by the management once in a year which in our opinion is reasonable and the results of the verification have been reconciled with the book records. No material discrepancies between book records and physical inventory have been noticed.
2. None of the fixed assets have been revalued during the year.
3. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
4. The Company has not granted any loan, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or to companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
5. In respect of the loans or advances in the nature of loans given by the Company, the principal amounts and interest where applicable have been recovered as stipulated.
6. 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. There are no purchase of raw materials including components, plant and machinery and sale of goods.
7. There are no transaction of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956.
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. The Company has an internal audit system commensurate with the size and the nature of its business.
10. The Company has been regular in depositing the Provident Fund and Employees' State Insurance dues with the appropriate authorities.
11. No undisputed amounts payable in respect of income tax, wealth tax were outstanding as at 31st December, 1998 for a period of more than six months from the date they became payable. Customs duty, excise duty and sales tax is not applicable to the Company.
12. 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 Company is not a Sick Industrial Company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
14. In respect of the service activities of the Company:
  - (i) The service activities of the Company does not require materials and hence recording of receipts, issues and consumption of materials does not arise.
  - (ii) Though allocation of man hours utilised is not made to the relative jobs, in our opinion, control is exercised on the total labour utilised on the jobs.
  - (iii) The Company has a reasonable system of authorisation at proper levels and an adequate system of internal control commensurate with the size of the Company and nature of its business and as stated in (ii) above, though allocation of labour is not made to the relative jobs, in our opinion, control is exercised on the total labour utilised on the jobs.
15. As per the information and explanations given to us and taking into consideration the nature of the business of the Company, clauses (iii), (iv), (v), (vi), (xii), (xiv), (xvi) of paragraph 4(A), paragraphs 4(C) and 4(D) of the above said Order are not applicable to the Company.

For Lovelock & Lewes  
Chartered Accountants

N. RAMESH RAJAN  
Partner

Chennai  
Dated: 22nd February, 1999.

HINDUSTAN CARGO LIMITED

Balance Sheet as at 31st December, 1998

	Schedule	As at 31st December, 1998 Rs.	As at 31st December, 1997 Rs.
<b>I. SOURCES OF FUNDS :</b>			
SHAREHOLDERS' FUNDS :			
Share capital	A	25,00,000	25,00,000
Reserves and surplus	B	72,70,297	34,14,320
		<u>97,70,297</u>	<u>59,14,320</u>
LOAN FUNDS :			
Unsecured Loans	C	37,74,907	17,36,687
<b>TOTAL :</b>		<u><u>1,35,45,204</u></u>	<u><u>76,51,007</u></u>
<b>II. APPLICATION OF FUNDS:</b>			
FIXED ASSETS :			
Gross block	D	53,96,309	45,55,133
Less : Depreciation		<u>18,44,324</u>	<u>12,70,701</u>
Net block		<u>35,51,985</u>	<u>32,84,432</u>
CURRENT ASSETS, LOANS AND ADVANCES:			
Sundry debtors	E1	90,81,403	68,55,388
Cash and bank balances	E2	47,39,293	19,73,069
Loans and advances	E3	58,39,885	43,62,139
		<u>1,96,60,581</u>	<u>1,31,90,596</u>
LESS: CURRENT LIABILITIES AND PROVISIONS:			
Current liabilities	F	96,67,362	88,24,021
		<u>96,67,362</u>	<u>88,24,021</u>
<b>NET CURRENT ASSETS</b>		<u><u>99,93,219</u></u>	<u><u>43,66,575</u></u>
<b>TOTAL :</b>		<u><u>1,35,45,204</u></u>	<u><u>76,51,007</u></u>

Notes to the accounts

K

Schedules "A" to "F" and "K" referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For Lovelock & Lewes  
Chartered Accountants

P. P. MADHAVJI — CHAIRMAN  
A. M. KAKKAR — DIRECTOR  
J. D. KETKAR — DIRECTOR  
R. SRIDHAR — MANAGING DIRECTOR  
S. K. JHAVERI (MRS.) — COMPANY SECRETARY

N. RAMESH RAJAN  
Partner

Chennai  
Dated : 22nd February, 1999

Mumbai  
Dated : 22nd February, 1999

## Profit and Loss Account for the year ended 31st December, 1998

	Schedule	Year ended 31st December, 1998 Rs.	Year ended 31st December, 1997 Rs.
<b>INCOME :</b>			
Income from services rendered	G	2,27,98,787	1,68,02,083
Other income	H	10,57,127	26,28,671
<b>TOTAL :</b>		<b>2,38,55,914</b>	<b>1,94,30,754</b>
<b>EXPENDITURE :</b>			
Personnel expenses	I	67,94,768	61,52,085
Other expenses	J	1,01,91,684	86,95,482
Depreciation	D	6,03,485	5,72,641
<b>TOTAL :</b>		<b>1,75,89,937</b>	<b>1,54,20,208</b>
Profit before taxation		62,65,977	40,10,546
Provision for taxation		24,10,000	14,15,000
Profit after taxation		38,55,977	25,95,546
Balance brought forward from last year		26,68,012	72,466
Balance carried to balance sheet		65,23,989	26,68,012

Notes to the accounts

K

Schedules "D", "G" to "J" and "K" referred to above form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date

For Lovelock & Lewes  
Chartered AccountantsN. RAMESH RAJAN  
PartnerChennai  
Dated : 22nd February, 1999

P. P. MADHAVJI — CHAIRMAN  
A. M. KAKKAR — DIRECTOR  
J. D. KETKAR — DIRECTOR  
R. SRIDHAR — MANAGING DIRECTOR  
S. K. JHAVERI (MRS.) — COMPANY SECRETARY

Mumbai  
Dated : 22nd February, 1999

## Schedules forming part of the balance sheet as at 31st December, 1998

	As at 31st December, 1998 Rs.	As at 31st December, 1997 Rs.
<b>SCHEDULE "A" : SHARE CAPITAL :</b>		
Authorised :		
10,00,000 Equity shares of Rs. 10/- each	<u>1,00,00,000</u>	<u>1,00,00,000</u>
Issued and subscribed :		
2,50,000 Equity shares of Rs. 10/- each fully paid-up	<u>25,00,000</u>	<u>25,00,000</u>
1) 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		
2) The entire issued share capital is held by the holding company, TCIL, directly or through its nominee.		
<b>SCHEDULE "B" : RESERVES AND SURPLUS :</b>		
<b>General reserve :</b>		
Balance as per last balance sheet	7,46,308	7,46,308
<b>Balance in profit and loss account</b>	<u>65,23,989</u>	<u>26,68,012</u>
	<u>72,70,297</u>	<u>34,14,320</u>
<b>SCHEDULE "C" : UNSECURED LOANS :</b>		
From Bank - Short term	<u>37,74,907</u>	<u>17,36,687</u>
	<u>37,74,907</u>	<u>17,36,687</u>

### SCHEDULE "D" : FIXED ASSETS :

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description	Cost as at 31st December, 1997 Rs.	Additions during the year Rs.	Deductions Rs.	Cost as at 31st December, 1998 Rs.	Upto 31st December, 1997 Rs.	For the year Rs.	On Deductions Rs.	Upto 31st December, 1998 Rs.	As at 31st December, 1998 Rs.	As at 31st December, 1997 Rs.
Furniture and fixtures	6,20,088	2,70,705	3	8,90,790	2,00,842	52,100	—	2,52,942	6,37,848	4,19,246
Office equipment	16,30,872	4,22,064	2,04,930	18,48,006	3,28,117	93,184	29,862	3,91,439	14,56,567	13,02,755
Vehicles	14,19,490	2,92,390	—	17,11,880	3,65,606	2,31,294	—	5,96,900	11,14,980	10,53,884
Computers	8,84,683	60,950	—	9,45,633	3,76,136	2,26,907	—	6,03,043	3,42,590	5,08,547
GRAND TOTAL	45,55,133	10,46,109	2,04,933	53,96,309	12,70,701	6,03,485	29,862	18,44,324	35,51,985	32,84,432
Previous Year	39,43,323	8,95,297	2,83,487	45,55,133	8,04,437	5,72,641	1,06,377	12,70,701	32,84,432	—

## Schedules forming part of the balance sheet as at 31st December, 1998

	Rs.	As at 31st December, 1998 Rs.	As at 31st December, 1997 Rs.
<b>SCHEDULE "E1": SUNDRY DEBTORS :</b>			
Unsecured, considered good*			
Outstanding exceeding six months	16,50,363		1,63,435
Others	74,31,040		66,91,953
		90,81,403	68,55,388
Unsecured, considered doubtful			
Outstanding exceeding six months	5,23,620		2,50,988
Others	—		—
		5,23,620	2,50,988
		96,05,023	71,06,376
		5,23,620	2,50,988
		90,81,403	68,55,388
Less : Provision for doubtful debts			

\*(refer Schedule "K", note 6)

### SCHEDULE "E2" : CASH AND BANK BALANCES :

Cash on hand		51,900	44,573
Cheques on hand		6,000	64,831
Balances with scheduled banks :			
On current account	43,81,393		16,13,665
On fixed deposit	3,00,000		2,50,000
		46,81,393	18,63,665
		47,39,293	19,73,069

### SCHEDULE "E3" : LOANS AND ADVANCES :

(Unsecured, considered good)			
Advances recoverable in cash or in kind or for value to be received*#		33,93,574	20,51,219
Balance with customs, port trust, etc. :			
On current account	8,32,518		7,40,182
On security deposit account	70,000		70,000
		9,02,518	8,10,182
Tax payments less provisions		15,43,793	15,00,738
		58,39,885	43,62,139

\*Includes Rs. 24,000/- due from the Managing Director (31/12/97 Rs. 76,167/-)

Maximum amount due at any time during the year Rs. 76,167/- (31/12/97 Rs. 1,00,000/-)

# includes Rs. 25,000/- of 7 year National Saving Certificate deposited with customs  
(31/12/97 Rs. 25,000/-)

### SCHEDULE "F" : CURRENT LIABILITIES :

Sundry creditors		87,77,050	70,83,797
Other liabilities		1,14,646	1,68,695
Advance payment from customers		7,75,666	15,71,529
		96,67,362	88,24,021

## Schedules forming part of the profit and loss account for the year ended 31st December, 1998

	Year ended 31st December, 1998	Year ended 31st December, 1997
Rs.	Rs.	Rs.
<b>SCHEDULE "G" : INCOME FROM SERVICES RENDERED :</b>		
Commission	1,13,30,312	88,86,428
Agency	1,14,68,475	79,15,655
	<u>2,27,98,787</u>	<u>1,68,02,083</u>
 <b>SCHEDULE "H" : OTHER INCOME :</b>		
Interest on Fixed deposits	41,445	1,00,221
Exchange gain (Net)	8,29,222	25,26,950
Miscellaneous income	1,86,460	1,500
	<u>10,57,127</u>	<u>26,28,671</u>
 <b>SCHEDULE "I" : PERSONNEL EXPENSES :</b>		
Salaries, wages, bonus and commission	50,60,615	45,92,311
Contribution to provident and other funds	4,30,696	3,60,411
Premium on gratuity-cum-life assurance policy	2,30,183	1,39,264
Staff welfare	10,73,274	10,60,099
	<u>67,94,768</u>	<u>61,52,085</u>
 <b>SCHEDULE "J" : OTHER EXPENSES :</b>		
Rent	10,10,743	9,04,095
Insurance	19,203	27,748
Repairs and maintenance	14,15,858	11,00,488
Printing and stationery	5,74,451	4,40,636
Postage, telegrams, telex and telephones	22,52,865	19,70,600
Legal and professional fees	2,82,279	3,56,374
Auditors' remuneration:		
Audit fees	78,750	75,000
Report u/s 44AB of the Income-tax Act, 1961	77,700	74,000
Other services	78,750	2,50,000
	<u>2,35,200</u>	<u>3,99,000</u>
Travelling and subsistence	19,34,445	16,92,718
Motor car running expenses	5,64,318	4,29,799
Provision for bad and doubtful debts	2,72,632	17,494
Loss on sale of fixed assets sold (Net)	81,652	30,016
Director's fees	8,000	2,000
Miscellaneous expenses	15,40,038	13,24,514
	<u>1,01,91,684</u>	<u>86,95,482</u>



# Notes annexed to and forming part of the balance sheet as at 31st December, 1998 and the profit and loss account for the year ended on that date

## SCHEDULE "K"

### 1. SIGNIFICANT ACCOUNTING POLICIES

- a) The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.
  - b) 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 costs of bringing the assets 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 costing more than Rs. 5,000/- each, the depreciation rates applied are 25 percent and 15 percent respectively.
  - c) Accounting for foreign currency transactions :  
Foreign currency transactions are recorded at the rate of exchange prevailing at the time of accounting such transactions and exchange differences are dealt with in the profit and loss account. Current assets and liabilities at year-end are converted at closing rates and exchange differences are recognised in the profit and loss account.
  - d) Service Income :  
Income comprises net commissions and margins in the normal course of business, as custom house/IATA agent and as per terms and conditions agreed with the customers/agents.
  - e) Gratuity and superannuation contributions :  
Contributions to secured retiral benefits in respect of gratuity and superannuation funds are charged to revenue based on premium contributions determined by Life Insurance Corporation of India, with whom the holding company has entered into an agreement.
  - f) Leave encashment liability is accounted for as per the applicable rules of the company.
2. The Company has 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 as at 31st December, 1998 reflected in the Balance Sheet are in the name of TCIL.

# Notes annexed to and forming part of the balance sheet as at 31st December, 1998 and the profit and loss account for the year ended on that date

	Year ended 31st December, 1998 Rs.	Year ended 31st December, 1997 Rs.
<b>SCHEDULE "K" (contd.)</b>		
3. Managerial Remuneration under section 198 of the Companies Act, 1956 to the Managing Director (excluding gratuity contributed on a global basis)		
Salaries	2,37,600	2,30,000
House perquisites	93,600	—
Contribution to provident and other funds	64,152	57,500
Perquisites in cash and in kind	2,37,100	2,31,666
	<u>6,32,452</u>	<u>5,19,166</u>
Director's fees	8,000	2,000
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	38,55,977	25,95,546
Add:		
Provision for taxation	24,10,000	14,15,000
Remuneration to the Managing Director	6,32,452	5,19,166
Director's fees	8,000	2,000
Depreciation per accounts	6,03,485	5,72,642
Loss on fixed assets sold/scrapped per accounts	81,652	30,016
Net profit on fixed assets sold/scrapped as per section 350	—	12,519
	<u>75,91,566</u>	<u>51,46,889</u>
Less :		
Depreciation as per section 350	7,20,444	7,32,944
Net loss on fixed assets sold/scrapped as per section 350	37,147	—
	<u>7,57,591</u>	<u>7,32,944</u>
Net profit	<u>68,33,975</u>	<u>44,13,945</u>
Maximum remuneration payable at the rate of 5 percent of the net profits per section 309 of the Companies Act, 1956	3,41,699	2,20,697
Remuneration per section 198 excluding commission*	<u>6,32,452</u>	<u>5,19,166</u>
* Minimum remuneration per the terms of appointment and in terms of the Central Government approval obtained vide Ref. No. 2/77/98 -CL. VII dated 27/11/1998		
4. Expenditure in foreign currency : Subscription	2,58,570	1,98,908
5. Earnings in Foreign Currency : Commission on export shipment	6,27,591	11,78,772
6. Sundry Debtors include dues from Bodies Corporate under the same management : Thomas Cook (India) Limited	(a)	2,64,094
(a) With effect from 31st October, 1998, section 370 of the Companies Act, 1956 became inoperative vide the Companies Amendment Ordinance, 1999.		

# Notes annexed to and forming part of the balance sheet as at 31st December, 1998 and the profit and loss account for the year ended on that date

## SCHEDULE "K" (contd.)

7. 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 below:

### I. Registration Details

Registration No. 

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

State Code 

1	1
---	---

Balance Sheet Date 

3	1
---	---

1	2
---	---

9	8
---	---

  
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\*

-	-	-	-	2	3	2	1	3
---	---	---	---	---	---	---	---	---

\*includes current liabilities

Total Assets\*\*

-	-	-	-	2	3	2	1	3
---	---	---	---	---	---	---	---	---

\*\*includes current assets

Sources of Funds

Paid-up Capital

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

Reserves & Surplus

-	-	-	-	-	7	2	7	0
---	---	---	---	---	---	---	---	---

Secured Loans

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

Unsecured Loans

-	-	-	-	-	3	7	7	5
---	---	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

-	-	-	-	-	3	5	5	2
---	---	---	---	---	---	---	---	---

Investments

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

Net Current Assets

-	-	-	-	-	9	9	9	3
---	---	---	---	---	---	---	---	---

Miscellaneous Expenditure

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

Accumulated Losses

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

# Notes annexed to and forming part of the balance sheet as at 31st December, 1998 and the profit and loss account for the year ended on that date

## SCHEDULE "K" (contd.)

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

Turnover										Total Expenditure									
-	-	-	-	2	3	8	5	6		-	-	-	-	1	7	5	9	0	
Profit / Loss before tax										Profit / Loss after tax									
	+	-	-	-	-	6	2	6	6		+	-	-	-	-	3	8	5	6
(+ for Profit, - for Loss)																			
Earning per Share in Rs.										Dividend rate %									
-	-	1	5	-	4	2				-	-	-							

### 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 I L K S E R V I C E - - - - - - - - - - -																			
Item Code No. (ITC Code)	- - - - - - - - - - - - - - -																			
Product Description	- -																			
Item Code No. (ITC Code)	- - - - - - - - - - - - - - -																			
Product Description	- -																			

# Notes annexed to and forming part of the balance sheet as at 31st December, 1998 and the profit and loss account for the year ended on that date

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## SCHEDULE "K" (contd.)

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

Signature to Schedules A to K

P. P. MADHAVJI	— CHAIRMAN
A. M. KAKKAR	— DIRECTOR
J. D. KETKAR	— DIRECTOR
R. SRIDHAR	— MANAGING DIRECTOR
S. K. JHAVERI (MRS.)	— COMPANY SECRETARY

Mumbai

Dated : 22nd February, 1999

## Directors' Report

### TO THE MEMBERS :

Your Directors have pleasure in presenting the Tenth Annual Report and the Balance Sheet and Profit & Loss Account for the year ended 31st December, 1998.

### OPERATIONS :

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

### FINANCIAL RESULTS :

During the year 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 year under review.

### DIRECTORS :

Mr. I. G. Shahani resigned from the services of the company effective 31st December, 1998.

Your Directors place on record the valuable services rendered by Mr. Shahani during his tenure.

In accordance with Article 131 of the Articles of Association of the Company, Mr. A. M. Kakkar retires by rotation and being eligible, offers himself for re-election.

### AUDITORS :

M/s. Lovelock & Lewes, Chartered Accountants, Auditors of the Company will retire at the Meeting and are eligible for re-appointment.

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

No employees were employed throughout the financial year. 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 : 22nd February, 1999

BY ORDER OF THE BOARD  
P. P. MADHAVJI  
Chairman

## Auditors' Report

To the Members of India Alive Tours Limited

- We have audited the attached balance sheet of India Alive Tours Limited as at 31st December, 1998 and the annexed profit and loss account for the year ended on that date, which are in agreement with the books of account;
- 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;
- As the Company was not engaged in any activity during the year, the compliance with the accounting standards as referred to in Section 211(3C) of the Companies Act, 1956 is not applicable.
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
  - in the case of the balance sheet, of the state of affairs of the Company as at 31st December, 1998;
  - 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, 1998.

Mumbai  
Dated : 22nd February, 1999

For Lovelock & Lewes  
Chartered Accountants  
SANJAY HEGDE  
Partner

## Balance Sheet as at 31st December, 1998

	As at 31st December, 1998 Rs.	As at 31st December, 1997 Rs.
<b>I. SOURCES OF FUNDS :</b>		
<b>SHAREHOLDERS' FUNDS :</b>		
Share capital :		
Authorised :		
5,00,000 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
<b>TOTAL</b>	<b>30</b>	<b>30</b>
<b>II. APPLICATION OF FUNDS :</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES :</b>		
Current assets :		
Cash and bank balances	30	30
Cash on hand		
<b>TOTAL</b>	<b>30</b>	<b>30</b>

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.

This is the Balance Sheet referred to in our report of even date.

For Lovelock & Lewes  
Chartered Accountants  
SANJAY HEGDE  
Partner  
Mumbai  
Dated : 22nd February, 1999

P. P. MADHAVJI — CHAIRMAN  
A. M. KAKKAR — DIRECTOR  
J. D. KETKAR — DIRECTOR  
Mumbai  
Dated : 22nd February, 1999

## Profit and Loss Account for the year ended 31st December, 1998

	Year ended 31st December, 1998 Rs.	Year ended 31st December, 1997 Rs.
<b>INCOME</b>	<b>NIL</b>	<b>NIL</b>
<b>EXPENDITURE</b>	<b>NIL</b>	<b>NIL</b>

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.

This is the Profit and Loss Account referred to in our report of even date.

For Lovelock & Lewes  
Chartered Accountants  
SANJAY HEGDE  
Partner  
Mumbai  
Dated : 22nd February, 1999

P. P. MADHAVJI — CHAIRMAN  
A. M. KAKKAR — DIRECTOR  
J. D. KETKAR — DIRECTOR  
Mumbai  
Dated : 22nd February, 1999

Annexure referred to in the balance sheet as at 31st December, 1998  
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. 11-54760 State Code 11

Balance Sheet Date 31/12/98  
Date Month Year

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

Total Liabilities Total Assets  
- - - - - 30 - - - - - 30

Sources of Funds  
Paid-up Capital  
- - - - - 30

Application of Funds  
Net Current Assets  
- - - - - 30

P. P. MADHAVJI — CHAIRMAN  
A. M. KAKKAR — DIRECTOR  
J. D. KETKAR — DIRECTOR  
Mumbai  
Dated : 22nd February, 1999

## THOMAS COOK TOURS LIMITED

### Directors' Report

#### TO THE MEMBERS :

Your Directors have pleasure in presenting the Tenth Annual Report and the Balance Sheet and Profit & Loss Account for the year ended 31st December, 1998.

#### OPERATIONS :

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

#### FINANCIAL RESULTS :

During the year 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 year under review.

#### DIRECTORS :

Mr. I. G. Shahani resigned from the services of the company effective 31st December, 1998.

Your Directors place on record the valuable services rendered by Mr. Shahani during his tenure.

In accordance with Article 131 of the Articles of Association of the Company, Mr. A. M. Kakkar retires by rotation and being eligible, offers himself for re-election.

#### AUDITORS :

Mrs. Lovelock & Lewes, Chartered Accountants, Auditors of the Company will retire at the Meeting and are eligible for re-appointment.

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

No employees were employed throughout the financial year. 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 : 22nd February, 1999

BY ORDER OF THE BOARD  
P. P. MADHAVJI  
Chairman

### Auditors' Report

To the Members of Thomas Cook Tours Limited

- We have audited the attached balance sheet of Thomas Cook Tours Limited as at 31st December, 1998 and the annexed profit and loss account for the year ended on that date, which are in agreement with the books of account;
- 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;
- As the Company was not engaged in any activity during the year, the compliance with the accounting standards as referred to in Section 211(3C) of the Companies Act, 1956 is not applicable.
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
  - in the case of the balance sheet, of the state of affairs of the Company as at 31st December, 1998;
  - 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, 1998.

Mumbai  
Dated : 22nd February, 1999

For Lovelock & Lewes  
Chartered Accountants  
SANJAY HEGDE  
Partner

## THOMAS COOK TOURS LIMITED

### Balance Sheet as at 31st December, 1998

	As at 31st December, 1998 Rs.	As at 31st December, 1997 Rs.
<b>I. SOURCES OF FUNDS :</b>		
<b>SHAREHOLDERS' FUNDS :</b>		
Share capital :		
Authorised :		
5,00,000 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
<b>TOTAL</b>	<b>30</b>	<b>30</b>
<b>II. APPLICATION OF FUNDS :</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES :</b>		
Current assets :		
Cash and bank balances		
Cash on hand	30	30
<b>TOTAL</b>	<b>30</b>	<b>30</b>

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.

This is the Balance Sheet referred to in our report of even date

For Lovelock & Lewes Chartered Accountants SANJAY HEGDE Partner Mumbai Dated : 22nd February, 1999	P. P. MADHAVJI — CHAIRMAN A. M. KAKKAR — DIRECTOR J. D. KETKAR — DIRECTOR Mumbai Dated : 22nd February, 1999
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### Profit and Loss Account for the year ended 31st December, 1998

	Year ended 31st December, 1998 Rs.	Year ended 31st December, 1997 Rs.
<b>INCOME</b>	<b>NIL</b>	<b>NIL</b>
<b>EXPENDITURE</b>	<b>NIL</b>	<b>NIL</b>

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.

This is the Profit and Loss Account referred to in our report of even date.

For Lovelock & Lewes Chartered Accountants SANJAY HEGDE Partner Mumbai Dated : 22nd February, 1999	P. P. MADHAVJI — CHAIRMAN A. M. KAKKAR — DIRECTOR J. D. KETKAR — DIRECTOR Mumbai Dated : 22nd February, 1999
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Annexure referred to in the balance sheet as at 31st December, 1998

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 31/12/98  
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  
A. M. KAKKAR — DIRECTOR  
J. D. KETKAR — DIRECTOR

Mumbai  
Dated : 22nd February, 1999



## INDIAN HORIZON TRAVEL & TOURS LIMITED

### Directors' Report

#### TO THE MEMBERS :

Your Directors have pleasure in presenting the Tenth Annual Report and the Balance Sheet and Profit & Loss Account for the year ended 31st December, 1998.

#### OPERATIONS :

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

#### FINANCIAL RESULTS :

During the year 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 year under review.

#### DIRECTORS :

Mr. I. G. Shahani resigned from the services of the company effective 31st December, 1998.

Your Directors place on record the valuable services rendered by Mr. Shahani during his tenure.

In accordance with Article 131 of the Articles of Association of the Company, Mr. A. M. Kakkar retires by rotation and being eligible, offers himself for re-election.

#### AUDITORS :

M s. Lovelock & Lewes, Chartered Accountants, Auditors of the Company will retire at the Meeting and are eligible for re-appointment.

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

No employees were employed throughout the financial year. 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 : 22nd February, 1999

P. P. MADHAVJI  
Chairman

### Auditors' Report

To the Members of Indian Horizon Travel & Tours Limited

- We have audited the attached balance sheet of Indian Horizon Travel & Tours Limited as at 31st December, 1998 and the annexed profit and loss account for the year ended on that date, which are in agreement with the books of account;
- 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;
- As the Company was not engaged in any activity during the year, the compliance with the accounting standards as referred to in Section 211(3C) of the Companies Act, 1956 is not applicable.
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
  - in the case of the balance sheet, of the state of affairs of the Company as at 31st December, 1998;
  - 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, 1998.

For Lovelock & Lewes  
Chartered Accountants  
SANJAY HEGDE  
Partner

Mumbai  
Dated : 22nd February, 1999

## INDIAN HORIZON TRAVEL & TOURS LIMITED

### Balance Sheet as at 31st December, 1998

	As at 31st December, 1998 Rs.	As at 31st December, 1997 Rs.
<b>I. SOURCES OF FUNDS :</b>		
SHAREHOLDERS' FUNDS :		
Share capital :		
Authorised :		
5,00,000 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
<b>TOTAL</b>	<b>30</b>	<b>30</b>
<b>II. APPLICATION OF FUNDS :</b>		
CURRENT ASSETS, LOANS AND ADVANCES :		
Current assets :		
Cash and bank balances	30	30
Cash on hand	30	30
<b>TOTAL</b>	<b>30</b>	<b>30</b>

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.

This is the Balance Sheet referred to in our report of even date

For Lovelock & Lewes

Chartered Accountants

SANJAY HEGDE

Partner

Mumbai

Dated : 22nd February, 1999

P. P. MADHAVJI — CHAIRMAN

A. M. KAKKAR — DIRECTOR

J. D. KETKAR — DIRECTOR

Mumbai

Dated : 22nd February, 1999

### Profit and Loss Account for the year ended 31st December, 1998

	Year ended 31st December, 1998 Rs.	Year ended 31st December, 1997 Rs.
<b>INCOME</b>	<b>NIL</b>	<b>NIL</b>
<b>EXPENDITURE</b>	<b>NIL</b>	<b>NIL</b>

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.

This is the Profit and Loss Account referred to in our report of even date

For Lovelock & Lewes

Chartered Accountants

SANJAY HEGDE

Partner

Mumbai

Dated : 22nd February, 1999

P. P. MADHAVJI — CHAIRMAN

A. M. KAKKAR — DIRECTOR

J. D. KETKAR — DIRECTOR

Mumbai

Dated : 22nd February, 1999

Annexure referred to in the balance sheet as at 31st December, 1998

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 98

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

A. M. KAKKAR — DIRECTOR

J. D. KETKAR — DIRECTOR

Mumbai

Dated : 22nd February, 1999

## Ten Financial Years Performance

	(Rs. in thousands)									
	1989/90 Rs.	1990/91 Rs.	1991/92 Rs.	1992/93 Rs.	1993 Rs.	1994 Rs.	1995 Rs.	1996 Rs.	1997 Rs.	1998 Rs.
<b>Fixed Assets</b>	40212	50327	58672	67569	86403	117354	124866	267181	352698	429931
<b>Investments</b>	—	—	—	—	—	2500	2500	2500	2500	2500
<b>Net Current Assets</b>	79301	93915	136944	291838	300158	295043	467014	444299	577242	844044
<b>Total Application of Funds</b>	119513	144242	195616	359407	386561	414897	594380	713980	932440	1276475
<b>Share Capital</b>	10500	15750	15750	15750	31500	31500	52500	52500	87500	87500
<b>Reserves</b>	48098	59095	83784	145635	173175	261944	323298	430883	497416	621744
<b>Shareholders' Funds</b>	58598	74845	99534	161385	204675	293444	375798	483383	584916	709244
<b>Loan Funds /</b>	60915	69397	96082	198022	181886	121453	218582	230597	347524	567231
<b>Total Source of Funds</b>	119513	144242	195616	359407	386561	414897	594380	713980	932440	1276475
<b>Total Income</b>	88202	101680	166653	272420	(9 mths.) 231566	346389	445721	541850	566906	752372
<b>Total Expenditure</b>	59429	67507	87321	125982	110251	176884	241415	291928	351060	509918
<b>Profit Before Taxation</b>	28773	34173	79332	146438	121315	169505	204306	249922	215846	242454
<b>Profit available for Appropriation (After Tax &amp; Adjustments for prior years, if any)</b>	14273	20185	30202	68938	54315	102944	108604	136460	144846	172454
<b>Retained Earnings for the year</b>	11123	16247	24689	61850	43290	88769	82354	107585	105471	128704
<b>Dividend Paid/Payable</b>	3150	3938	5513	7088	11025	14175	26250	28875	39375	43750
<b>Dividend Percentage</b>	30	*25	35	45	*35	45	*50	55	*45	50

\* On the increased Capital Base

**P.S.** Shareholders may please address all their correspondence pertaining to Share Transfers, Dividend Warrants, etc., to the Company's Registrar & Share Transfer Agents, 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.