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BOARD OF DIRECTORS

P. P. MADHAVJI

Chairman

M. L. APTE

H. S. BILLIMORIA

D. P. ROY

(w.e.f. 07-02-2001)

J. BALLABH

(till 07-02-2001)

K. DIGVIJAY SINGH

J. DONALDSON

(till 25-04-2001)

L. PORTER

ALAN STEWART

A. M. KAKKAR

Chief Executive Officer

& Managing Director

MADHAVAN MENON

Executive Director — Foreign Exchange

(w.e.f. 18-04-2000)

P. SREEKUMAR

Executive Director — Finance

(w.e.f. 16-04-2001)

SECRETARY :

R. R. KENKARE

Head of Legal &

Company Secretary

Auditors

Lovelock & Lewes

Solicitors

Crawford Bayley & Co.

Principal Bankers

The Hongkong & Shanghai

Banking Corporation Ltd.

Standard Chartered Grindlays Bank Ltd.

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-fourth Annual Report, together with the Balance Sheet and Profit and Loss Account for the year ended 31st December, 2000.

The Company has produced consistent results during the year ending 31st December, 2000, despite keen competition affecting all areas of the Company's activities and overall recessionary conditions on economic & political fronts.

	Jan/Dec.	Jan./Dec.
	(2000)	(1999)
	(Rupees in lakhs)	
Profit Before		
Taxation	2029.27	2462.15
Provision for		
Taxation	786.21	685.00
Excess provision		
for Taxation for		
earlier years		
written back	121.99	26.33
Profit after Taxation	1365.05	1803.48
Transferred to		
Reserve u/s		
80 HHD of the		
Income Tax		
Act, 1961	130.00	180.00
Transferred to		
General Reserve	1000.00	1000.00
Proposed Dividend	481.25	437.50

Dividend:

Your Directors are pleased to recommend a dividend of 33%.

The dividend absorbs Rs. 4,81,25,000/-.

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 total reserves are at Rs. 77,22,63,078/- as at 31st December, 2000.

Directors' Responsibility Statement:

As required pursuant to the Companies (Amendment) Act, 2000, the Board of Directors confirm as under:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures.
- the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the Profit of the Company for that period.
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and

- that the Directors had prepared the annual accounts on going concern basis.

Operations:

Your Company, is the leading travel and financial services company in India. The business has grown significantly over the years not only through geographical expansion but also through addition to the product range. Several initiatives have been undertaken by the company on various fronts to face the challenging and increasingly competitive business environment.

New Developments at the Group Level:

Thomas Cook Holdings, UK gets a new shareholder : C & N Touristic

Germany's Leisure Group Condor & Neckermann Touristic (C&N Touristic) had announced that it intended to acquire Thomas Cook Holdings, the third largest travel company in the UK, for £ 550 million (Rs. 3,630 crores). Following this acquisition, C&N Touristic has become the second largest travel group in Europe and the third largest travel group in the world, with annual revenues totalling to more than 15 billion German



Marks. The combined organisation will operate 30 tour operator brands that carry almost 15 million customers a year, have a network of 3,800 travel agencies, a fleet of more than 70 aircraft and a staff of more than 27,000.

Thomas Cook is the UK's third largest, vertically integrated travel group with an airline fleet of 28 aircraft, tour operating programmes that carry over 3.5 million customers a year, 700 travel shops and four Thomas Cook Direct Call Centres. It also owns many of the most famous brands in travel, including Thomas Cook, JMC, Club 18-30 and Neilson.

Sale of Global and Financial Services business to Travelex

On November 8, 2000, the Group announced the sale of its Global & Financial Services (G&FS) division to Travelex. The sale is for £ 440 million (around Rs. 3,000 crores). Travelex is a leading global provider of foreign exchange currency services, with the largest network of airport foreign exchange bureaux in the world.

All branded Thomas Cook bureaux will continue to offer foreign exchange currency services including travellers cheques, consumer money transmission and other related products.

As part of the deal, Travelex does have the right to trade under the Thomas Cook brand for a period

of time in all the categories in which the G&FS business operates.

Thomas Cook (India) Ltd:

The new development in the shareholding pattern at the Group level, will not affect the current operations of Thomas Cook (India) Ltd. (TCIL), but, will result in a better strategic alignment between Thomas Cook's existing Indian business and that of Thomas Cook Holdings'.

TCIL will continue to operate in India and offer its existing range of services of Foreign Exchange, Corporate Travel, Leisure Travel, Card Products and Call Centre through its network of 51 offices in 16 cities.

The new formidable strength of the combined operations at the Group level will give a tremendous boost to our strategy of being a prominent player in the travel and travel-related services in the Indian Ocean Rim region.

New developments at TCIL:

Name License & Technical Assistance Agreement

Your Company has signed the Name License and Technical Assistance agreement with Thomas Cook Holdings – UK, to operate in the Indian Ocean Rim region of India, Bangladesh, Nepal, Bhutan, Seychelles, Maldives, Mauritius, Myanmar, Sri Lanka, etc. Thomas Cook Holdings is

enlarging the scope of the Indian operations by giving TCIL, the right to operate in the Indian Ocean Rim region.

Operations in Mauritius

In early 2000, TCIL inaugurated its first office in Mauritius at the SSR International Airport, through its fully owned subsidiary – TC (Mauritius) Holding Co. Ltd. The foreign exchange bureaux provide 24-hour, 365-day foreign exchange services and are located in the arrival and departure terminals of the airport. The company very recently opened its second office in Mauritius at Port Louis, the capital city of Mauritius. The company also plans to open its corporate travel and holidays business divisions shortly.

Operations in Sri Lanka

Your Company has also acquired the business of Thomas Cook Overseas Ltd. (TCO) in Sri Lanka at an overall sale consideration of £4,00,000 (approx. Rs. 2.74 crores). This also includes shares in the Tangerine Beach Resort near Colombo. The Sri Lanka business has 4 branches and recently opened its 5th office. The Company will also have to remit £70,000 to TCO representing parental profit remittances for the year 1997, 1998 and 1999. Application has been made to the RBI for the aforesaid remittance.



TCIL Businesses:

Call Centre

Your Company is proud to have launched its 24-hour x 365-day Call Centre and completed the first phase of national connectivity. A dedicated leased line network is now in place, connecting 5 cities through a single number – 1939. Customers will shortly be able to access the Thomas Cook Call Centre in Mumbai at the cost of a local call from Mumbai, Delhi, Hyderabad, Chennai & Bangalore. This 'local connectivity' will be expanded to cover 15 cities in India in Phase II. Your Company is the first company in the country to provide its customers with a 4-digit number for local connectivity.

Foreign Exchange & Financial Services

In the year 2000, the Foreign Exchange division focussed on the wholesale segment and notched up some formidable numbers. The division also plans to focus on the retail segment that includes the walk-ins and the corporate segment which has registered a marginal increase and decline respectively. The segment representing students going abroad for studies also represents a new growth area to be targeted aggressively.

From a product point of view, the currency and margins on Travellers Cheques have been under

pressure, hence the business is focussed on other products like the Visa Travel Money card and remittance products - drafts, telegraphic transfers, moneygram - that offer higher margins.

Airport Counters

Your Company is pleased to inform you that almost all the counters at the Indira Gandhi International Airport, where we won the tenders, will be handed over for operations shortly. A set back is that, your Company lost the bidding for counters at the Chennai airport and will no longer have a representation at the Rajaji Salai International Airport.

Global & Financial Services

As mentioned earlier, though Thomas Cook Holdings has sold off its G&FS business to Travelex, G&FS will continue to have the use of the 'Thomas Cook' brand name for five years with the exception of Travellers Cheques for which G&FS will be permitted to use the name in perpetuity. For the G&FS Indian operations, the Company has signed agreements with Travelex to ensure continuity in the delivery of various products and will continue dealing with them in the manner as done in the past.

Card Products

Launch of the International Airline Passenger Association (IAPA) card

Your Company launched the IAPA card in India. The Company signed

an exclusive marketing partnership agreement with IAPA, for India and the seven SAARC countries. This is in keeping with the Company's business strategy to introduce varied and innovative value-added products to the Indian travellers.

Global Credit Card

The Thomas Cook Standard Chartered Visa Card continues to do well in spite of stiff competition.

Corporate Travel Management

Corporate Travel has continued to maintain its leadership in the sales business travel market during the year 2000 and has registered an impressive growth of over 46% as compared to last year. During the year, number of leading companies signed on as customers of Corporate Travel and a focus on signing 'National Accounts' through the breadth of the country has paid rich dividend. In addition, a number of large regional accounts were also signed on.

Corporate Travel continued its efforts to get closer to its customers and during the year, the number of "On-site" customer service locations expanded to over 35. In addition to expansion via on-sites, Corporate travel started offering services from 2 new locations – Chandigarh and Gurgaon.

The activity received a number of airline awards for outstanding sales



performance during the year across all its branches.

Leisure Travel

Rail based packages launched by Thomas Cook & IRCTC

The first Thomas Cook rail-based package to Vaishno Devi Yatra, was launched on 2nd November, 2000, in association with the Indian Railway Catering and Tourism Corporation Ltd. (IRCTC). Other rail-based tours to leading domestic tourist destinations from multiple centres are likely to start shortly.

As in our Outbound leisure business, we are committed to providing the same high level of efficient and professional quality service to the fast growing domestic leisure market.

Exciting Millennium holidays for NRIs

Your Company has for the first time launched 'All Fun. No Tension. Great Price,' holidays for the NRIs. Thomas Cook appointed House of Travel in Bahrain as their Authorised Selling Agents. With the holiday market increasing every year, the division has been introducing different and unique holiday options to holiday seekers.

FIT Packages

The sale of Free Individual Traveller (FIT) packages in the second half did pick up slightly. Several new destinations have been added. A

FIT brochure is under production and several innovative packages will be launched shortly.

Projects in the Pipeline:

Domestic Airline packages

Your Company is in advanced talks with leading domestic airline for handling their 'air-plus-ground' packages to destinations in North and East India and these should be operational by mid-2001.

Electronic distribution of railway tickets

Thomas Cook has formed a consortium with IBM, the world leader in electronic railway ticketing and has expressed an interest to the Indian Railways for handling the prestigious e-distribution of Rail Tickets across the country.

Loans for holidays

Your Company is in advanced stages of tying-up with a leading financial institution in the country which will offer loans to walk-in customers for holiday products and plans to launch this very shortly.

Charters out of India

Your Company has applied to the Ministry of Civil Aviation, Government of India, for permission to operate air charters out of India and our application is being processed. Your Company is seeking synergies with Thomas Cook Group in this endeavour.

Inbound charters

This area is currently under great focus and a project team is already working on preparing a detailed business plan.

Hotel buying

In an effort to gain price advantage over competition, a hotel buying team has been set up to secure the best rates in leading hotels in India and certain key hotels overseas.

IT Related Services:

SAP Implementation

Your Company will be the first travel company in the world to install Enterprise Resource Planning Software viz. SAP and a fully integrated, web enabled, front office system. This will streamline activities in each department, integrating the back office with the front office, facilitating speedier transactions and substantially improving all round efficiency.

Thomas Cook Website

Thomas Cook, which already had a global website, also launched its Indian website "www.thomascook.co.in", which will gear the company for e-commerce in the near future.

The TCIL website has been equipped with powerful new features and valuable additions to increase traffic and retention



of visitors to the site. The major enhancements in this update include Travel Guides covering over 10,000 locations worldwide and Interactive maps from Mapquest. A 5-day weather forecast is provided in real time.

Investment in bidorbuy.Com

During the year, Your company invested in shares of bidorbuy (an online auction company). The site "www.bidorbuy.com" is a virtual trading place that brings buyers and sellers together and allows them to buy and sell in an exciting auction format using the internet. In order to enhance the business prospects of the company and in view of the fast economic changes in the market scenario as well as intense market competition from other travel house agents in and outside India, your company has proposed to invest in bidorbuy. This investment would ensure the company to be the preferred travel partner with an exclusive page for travel products to be auctioned on the net.

Millenium Corporate Compliance

Your Directors are pleased to inform you that your Company has successfully passed through the Millennium date change and would like to take this opportunity to thank the entire Y2K team for their support and contribution to making the Year 2000 data and computer

systems Y2K compliant. Your Company spent Rs. 4.45 Crores to make all its Hardware/Software Y2K compliant.

Takeover of Travel Corporation (India) Ltd.

Your Company has abandoned the plan of takeover of Travel Corporation (India) Ltd. due to non-agreement on various issues leading to a breaking off of the negotiations.

Awards

TTG Best Travel Agency – India Award for 2000

For the second consecutive year, your Company was selected for the prestigious TTG Best Travel Agency – India Award for 2000. The TTG Awards are presented by the Miller Freeman Publishing Group of Singapore, the publishers of Travel Trade Gazette Asia.

Your Company has been chosen for the National Tourism Award for the year 1999-2000 by the Department of Tourism (TT Division), Dept. of Tourism and Culture, Govt. of India and has secured Second Position in category II for the outstanding performance as Tour Operator / Travel Agency.

Directors

Mr. P.P. Madhavji, retired from the Board as an Executive Director of the Company effective 31st

December, 2000, after an illustrious and distinguished innings of 23 years. Mr. Madhavji will still continue to be closely associated with the company in his role as Chairman on the Board in a non-executive capacity.

Mr. J. Ballabh resigned from the Board effective 7th February, 2001, and in his place Mr. D.P. Roy was nominated as a Director by the State Bank of India on the Board of your company. All the Directors place on record their appreciation for the valuable services rendered by Mr. J. Ballabh during his tenure.

In accordance with Article 131 of the Articles of Association of the company, Mr. H.S. Billimoria and Mr. K. Digvijay Singh retire by rotation and being eligible, offer themselves for re-appointment.

Your directors have expanded the board and co-opted Mr Madhavan Menon as an Additional Director and Executive Director - Foreign Exchange. Mr Menon's appointment as director requires the approval of the members at the ensuing Annual General Meeting.

Mr. P. Sreekumar was appointed as an Executive Director-Finance w.e.f. 16th April, 2001. Mr. P. Sreekumar's appointment as a Director requires the approval of the members at the ensuing Annual General Meeting.



Auditors:

M/s. Lovelock & Lewes, Chartered Accountants, Auditors of the Company who retire at the forthcoming Annual General Meeting are eligible for re-appointment and have expressed their willingness to accept office, if re-appointed. They have given a certificate to the effect that the re-appointment, if made, would be within the limits prescribed under Section 224(1-B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

M/s. KPMG Ford, Rhodes, Thornton & Co., Sri Lanka are appointed as Branch Auditors by the Board of Directors for Thomas Cook (India) Limited in Sri Lanka.

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., Hindustan Cargo Ltd., TC(Mauritius) Holding Co. Ltd. and TC (Mauritius) Operations Co. Ltd. for the year ended 31st December, 2000 are separately attached as required under the provisions of Section 212 of the Companies Act, 1956.

Particulars regarding conservation of energy, technology absorption and foreign exchange earnings and expenditure:

The foreign exchange earnings during the year amounted to

Rs. 15,65,47,072/-. During the year, your Company has incurred expenditure in foreign currencies towards interest, bank charges, professional fees as well as travelling for promotional activities, subscriptions, etc., as disclosed in Schedule P Note 13.

Since your Company does not own any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors') Rules, 1988 are not submitted.

Listing of Shares :

We are glad to inform you that the equity shares(including all Bonus Shares) of your Company have been listed and admitted to dealings on the National Stock Exchange effective 7th June, 2000. With this, Your Company is now listed on two prestigious Stock Exchanges of India viz. The Stock Exchange, Mumbai and The National Stock Exchange .

The Listing Fees for the Financial Year 2000-2001 are paid to both these Stock Exchanges within the prescribed time limits.

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 consistent results during the year under review.

Information Pursuant to Section 217(2A) 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 and have been annexed herewith.

Corporate Governance:

The Company has taken the requisite steps to comply with the recommendations concerning the Corporate Governance. A report on Corporate Governance as also on Management Discussion and Analysis as on 31st December, 2000 forms part of this Report and are sent herewith.

BY ORDER OF THE BOARD

P. P. MADHAVJI A. M. KAKKAR
CHAIRMAN CEO & MANAGING
DIRECTOR

MUMBAI

Dated: 25th April, 2001.



ANNEXURE TO THE DIRECTORS' REPORT

Information as required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st December, 2000:

Sr. Name No.	Age	Designation	Remuneration	Nature of Duties	Qualification	Total Experience	Date of Joining TCIL	Last Employment
1. Mr. Bali Ajay #	43	Head of Leisure Travel — Outbound & Domestic	383348	Responsible for developing and managing the Leisure Travel (Outbound & Domestic)	B.Com., LL.B. D.B.M.	22	18th Oct., 1982	Navdeep Chem. Pvt. Ltd.
2. Mr. Bhatt Sushil #	57	Head of Leisure Travel — Inbound	1205611	Responsible for developing and managing the Leisure Travel (Inbound) business for TCIL	B.A., LL.B. Diploma in Indus. & Business Mgt.	40	17th Feb., 1984	M/s. Trade Wings Ltd.
3. Mr. Dandapani V.	55	Head Travel Management	1359090	Responsible for developing and managing the Travel Business for TCIL	B.Sc.	32	1st June, 1987	Attar Travels — Jeddah
4. Mr. Gupta Sunil #	39	Head of Leisure Travel	1168275	Responsible for developing and managing the Leisure Travel business for TCIL	B.Tech (Mech. Engg.)-IIT BHU PGD in Marketing & Sales Mgmt.- IIM, Calcutta	14	8th May, 2000	Hindustan Lever Ltd.
5. Mr. Kakkar Ashwini	47	Chief Executive Officer & Managing Director	5942998	Overall responsibility for the Company's operations and financial performance	B.Sc. (Mech. Engg.) PGDM-IIM, Calcutta MBA-European Inst. of Business Admin. (INSEAD), France & LL.B.	22	16th June, 1997	IGE India Ltd.
6. Mr. Madhavji Pradip	64	Chairman	4887638	Responsible for ensuring that all the structures of governance meet the Board's Strategic and Supervisory responsibilities. Ensures that all major policies adopted by the Management enhance the long term value of the Company	B.A., B.Com., LL.B.	42	1st Sept., 1977	Dena Bank
7. Ms. Mahindroo Komal #	39	Head of Global Services & Teledirect	1217821	Responsible for the operations and profitability of Global Services & Teledirect business in India	M.A., C.A.I.I.B(1)	16	1st Oct., 1986	New Bank of India
8. Mr. Menon Madhavan #	45	Executive Director - Foreign Exchange	2655418	Responsible for all matters pertaining to TCIL's FOREX activities including achievement of planned revenue through the activity's development and growth	B.A. (Business) - Georgetown University, USA, M.B.A. (Fin. & Intl. Buss.) - George Washington University, USA	21	2nd May, 2000	Birla Sun Life Asset Management Company (AMC) Ltd.
9. Mr. Nadkarni Anil	41	Head of Information Technology	1236444	Responsible for exploiting I. T. applications in support of business processes for continued performance improvement	B.Sc., D.C.M.	18	14th May, 1997	Cadbury India Ltd.

1. The nature of employment is contractual.

2. Remuneration as shown above includes Salary, Bonus, Commission, House Rent Allowance, Company's contribution to Provident Fund and other funds and expenditure incurred by the Company on Housing, Car, Electricity, Water, Gas, Medical and Leave Travel Allowance and other allowances. Wherever the actual costs are not ascertainable, monetary value of those perquisites as per Income-tax Rules, 1962 has been considered.

3. # Employed for part of the year and in receipt of remuneration aggregating not less than Rs. 100000/- per month.

BY ORDER OF THE BOARD

Mumbai
7th February, 2001

P. P. MADHAVJI
CHAIRMAN

A. M. KAKKAR
CEO & MANAGING DIRECTOR



REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Since the evolution of Thomas Cook Groups' Guidelines on Corporate Governance, Thomas Cook (India) Ltd. has been practicing the principles of good Corporate Governance over the last decade.

The Company's philosophy on the code of Corporate Governance is :

- (i) to ensure that adequate control systems exist to enable the Board in effectively discharging its responsibilities to all the stakeholders of the Company;
- (ii) to ensure that the decision making process is fair and transparent ;
- (iii) to ensure the fullest commitment of the Management and the Board to the maximisation of shareholder value;
- (iv) to ensure that the employees of the Company subscribe to the corporate values and apply them in their conduct and
- (v) to ensure that the Company follows globally recognised corporate governance practices.

Board of Directors:

The Board of Directors comprises ten members. The board has a mix of executive and non-executive directors. A majority of the directors on the board are non-executive directors. The board comprises three whole-time directors – the Executive Chairman, the CEO & Managing Director and the Executive Director-Foreign Exchange and seven non-executive directors who bring in a varied range of skill and experience to the board. Thomas Cook Overseas Ltd. has certain rights enshrined in the Articles of Association pertaining to the appointment of Directors.

Responsibilities

The Board of Directors' responsibilities includes reviewing corporate performance, ensuring adequate availability of financial resources and reporting to the shareholders. During the year under review the board met seven times. Board members ensure that their other responsibilities do not materially impact their responsibility as a director of Thomas Cook.

Role of Independent Director

The Independent Directors play an important role in deliberations at the board meetings and bring to the company their wide experience in the fields of Finance, Internet, Banking, Travel and Tourism. The audit committee and the Recruitment and Remuneration committee consists of independent directors.

'Independent Directors' have been defined as directors who apart from receiving directors' remuneration, do not have any other material pecuniary relationship or transactions with the company, its promoters, its management or its subsidiaries, which in the judgement of the board, may affect independence of judgement of the director.

Details of the Board of Directors are as follows:

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at the previous AGM
Mr. P. P. Madhavji*	Executive Chairman	7	Yes
Mr. A. Kakkar	CEO and Managing Director	7	Yes
Mr. M. Menon	Executive Director — Foreign Exchange	5	***
Mr. M. L. Apte	Non-Executive	5	Yes
Mr. H. S. Billimoria	Non-Executive	6	Yes
Mr. J. Ballabh**	Non-Executive	3	No
Mr. K. Digvijay Singh	Non-Executive	6	Yes
Mr. J. Donaldson*****	Non-Executive	1	No
Mr. L. Porter	Non-Executive	4	Yes
Mr. Alan Stewart	Non-Executive	Nil	No

* Continues as Non-Executive Chairman from 1.1.2001

** Resigned w.e.f. 7.2.2001 and Mr D P Roy was appointed in his place.

*** Mr M. Menon was appointed as an Additional and Executive Director – Foreign Exchange w. e. f. 1.5.2000 and is liable to retire by rotation

**** Mr P Sreekumar was appointed as an Additional and Executive Director – Finance w. e. f. 16.4.2001 and is liable to retire by rotation

***** Leave of Absence was granted by the Board to the Directors who were absent at the respective Board Meeting/s.

***** Sr. No. 1 and 4 to 9 are independent directors (as on 25.04.2001).

***** Resigned w.e.f. 25.04.2001.



As per the statute, two third of the directors should be retiring directors. One third of the directors are required to retire every year and if eligible, these directors qualify for reappointment.

In accordance with Article 131 of the Articles of Association of the company, Mr. H.S. Billimoria and Mr. K. Digvijay Singh retire by rotation and being eligible offer themselves for reappointment.

Board Meetings

The meetings of the board of directors are scheduled well in advance and generally held at the company's registered office in Mumbai. The Board meets at least once a quarter to review the quarterly performance and the financial results. The Board papers of the company are circulated in advance. Senior Management of the company is invited to attend the board meetings and provide clarifications as and when required.

The seven board meetings during the year were held on 17th February, 2000, 18th April, 2000, 12th June, 2000, 19th July, 2000, 31st July, 2000, 11th October, 2000 and 1st November, 2000.

Number of other Directorships and Chairmanship/Membership of Board Committees:

Name of the Director	No. of Directorship in other Boards		No. of Chairmanship/ Membership in other Board Committees	
	Public	Private	Chairmanship	Membership
Mr. P. P. Madhavji	6	1	1	2
Mr. A. Kakkar	4	Nil	Nil	2
Mr. M. Menon	1	Nil	Nil	Nil
Mr. M. L. Apte	15	1	1	3
Mr. H. S. Billimoria	7	Nil	1	Nil
Mr. J. Ballabh*	—	—	—	—
Mr. K. Digvijay Singh	1	2	Nil	Nil
	India	Abroad		
Mr. J. Donaldson	Nil	14	Nil	Nil
Mr. L. Porter	Nil	1	Nil	1
Mr. Alan Stewart	Nil	66	Nil	Nil

* Resigned w. e. f. 7.2.2001 and Mr D P Roy was appointed in his place.

Details of Directors being appointed and reappointed:

1. Mr. Hoshang S. Billimoria :

Mr. Hoshang S. Billimoria, 49, is a Chartered Accountant from England & Wales. He is currently the Managing Director of Tata Infomedia Ltd. He is also a Director in several other companies like Fenner (India) Ltd., Cable Corporation of India Ltd., ECC Card Clothing Co. (Asia) P. Ltd., HDFC Asset Management Co. Ltd., Vantech Investments Ltd., TADDSCO Promotions Ltd. He is the Chairman of the Audit Committee of HDFC Asset Management Co. Ltd.

2. Mr. K. Digvijay Singh :

Mr. K. Digvijay Singh, 42, holds a Masters Degree in Business Administration. He has 22 years' experience at various levels in various organisations, the last being as CEO, India.com Inc. He is also a Director in several other companies like Internet Company of India Pvt. Ltd., Mail.com India Pvt. Ltd. and India.com Inc., USA.

3. Mr. M. Menon was appointed as an Additional and Executive Director-Foreign Exchange for a period of 3 years with effect from 1st May, 2000 to 30th April, 2003.

Age	: 45 years
Educational Qualifications	: B.A. (Business), Georgetown University, USA MBA, Finance & International Business, George Washington University, USA
Total Experience	: 21 years
Last Job	: Chief Executive & Administrative Officer, Birla Sunlife Asset Management Co. (AMC) Ltd.
Expertise	: Banking, Finance and Travel-related Foreign Exchange Management



4. Mr. P. Sreekumar was appointed as an Additional and Executive Director-Finance for 3 years with effect from 16th April, 2001 to 15th April, 2004.

Age : 42 years
Educational Qualifications : B.Com (Hons), FCA, ACS, Advanced Financial Management – Indian Institute of Management, Ahmedabad.
Total Experience : 17 years
Last Job : Enron India Pvt. Ltd., Mumbai
• Vice President and CFO/CAO
• Vice President-Special Projects
Expertise : Project financing

Board Committees:

To enable better and more focussed attention on the affairs of the company, the board delegates particular matters to committees of the board set up for the purpose. These specialist committees prepare the groundwork for decision making and report at the subsequent board meeting.

Audit Committee:

The Audit Committee was formed in August, 1995 consisting of two Non Executive Directors and one Executive Director with the following scope:

To consider the scope of audit reviews, the effectiveness of the systems of internal control and compliance with rules and regulations or norms of FERA, IATA, PF, TDS, Risk Compliance.

The Committee was restructured in June, 1998 under the Chairmanship of a Non Executive Director, Mr. H.S. Billimoria, who is professionally a Chartered Accountant. The scope of the Committee was to decide scope of Internal Audit & Risk Committee, review reports of Internal Audit & Risk Committee and to issue directions to Internal Audit & Risk Committee.

The Committee was reconstituted in July, 2000 with the revised powers as prescribed in Clause 49 of the Listing Agreement. The terms of reference of the audit committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines. Meetings are scheduled well in advance.

The committee met three times during the year under review. The committee also met prior to the finalisation of accounts for the year ended 31st December, 2000.

Name of the Director/ Invitee	Member/Permanent Invitee	Remarks
Mr. H.S. Billimoria (Chairman)	Member	Non Executive Director
Mr. J. Ballabh**	Member	Non Executive Director
Mr. P. P. Madhavji	Member	Executive Director*
Mr. A. Kakkar	Permanent Invitee	Executive Director
Mr. M. Menon	Permanent Invitee	Executive Director

* Non-Executive w.e.f. 1.1.2001

** Resigned w.e.f. 7.2.2001 and Mr. D. P. Roy was appointed in his place.

The Audit Committee also invites senior executives at these meetings. The Head of Internal Audit alongwith the Director Audit, Thomas Cook, UK attends the meetings. The representative of the auditors is also invited to the meetings. The Company Secretary acts as the Secretary to the Committee.



Meetings and attendance during the year:

Name of the Director/Invitee	Member/Permanent Invitee	No. of Meetings attended**
Mr. H.S. Billimoria (Chairman)	Member	3
Mr. J. Ballabh*	Member	1
Mr. P. P. Madhavji	Member	3
Mr. A. Kakkar	Permanent Invitee	1
Mr. M. Menon	Permanent Invitee	1

* Resigned w. e. f. 7.2.2001 and Mr D P Roy was appointed in his place.

** Three meetings were held during the year on 21st January, 2000, 11th July, 2000 and 21st November, 2000.

Recruitment & Remuneration Committee:

The Recruitment & Remuneration Committee was formed in August, 1995 consisting of two Non Executive Directors and two Executive Directors to consider Human Resource Policy of the Company particularly those governing terms and conditions of employment, remuneration, retirement benefits, performance appraisal, development of high potential employees, succession planning for key positions and to make recommendations to the Board.

The Committee was restructured in June, 1998 under the Chairmanship of a Non Executive Director, Mr. M. L. Apte. The scope of the Committee was also revised to include in addition to the earlier scope, power to make loans/security deposits to employees for housing/other purposes at the prescribed limit.

The terms of reference of the committee include determining on behalf of the Board and on behalf of the shareholders, the Company's policy on specific remuneration packages for Executive Directors. Such remuneration packages with recommendation from the Board are placed before the shareholders at General Meeting for their approval, in compliance with the statutory provisions as applicable.

Composition, Names of members and Attendance during the year:

Name of the Director	Executive/ Non Executive	No. of Meetings attended**
Mr. M. L. Apte (Chairman)	Non Executive	3
Mr. P. P. Madhavji	Executive*	3
Mr. A. Kakkar	Executive	3
Mr. Lester Porter	Non Executive	3

* Non-executive w. e. f. 1.1.2001

** Three meetings were held during the year on 17th February, 2000, 18th April, 2000 and 18th July, 2000

Remuneration Policy:

To achieve the Company's HR Vision of being "among the first 5 most preferred employers in the Service Sector of the countries that we operate", it has been decided to position the compensation of the Company between the 66th and 75th percentile in relation to the benchmarked companies.

Compensation has been structured to:

- Drive performance (salary increases are based on goals and competency – based performance)
- Decrease the attrition rate, retain talent and potential within the Company
- Attract the best talent and high caliber employees to the Company



Details of the Remuneration to all the Directors for the year 2000:

Name of the Director	Salary (Rs.)	Benefits (Rs.)	Bonus/ Commission (Rs.)	Meeting sitting fees	Performance linked incentive	Total (Rs.)
Mr. P. P. Madhavji	12,90,000	22,34,865	12,65,220	Nil	Nil	47,90,085
Mr. A. Kakkar	16,68,000	23,58,360	17,84,865	Nil	Nil	58,11,225
Mr. M. Menon	7,17,097	19,10,713	6,47,522	Nil	Nil	32,75,332
Other Non-Exe. Directors	Nil	Nil	6,45,521	1,18,500	Nil	7,64,021

Share Transfer & Shareholders'/Investor Grievance Committee (earlier known as Share Transfer Committee):

The Share Transfer Committee was formed in 1996 consisting of three Executive Directors and three Non-Executive Directors with the following scope :

To approve transfer of shares, splitting and consolidation of shares and issue of duplicate share certificates.

The Committee was restructured in June, 1998 under the Chairmanship of Mr. P. P. Madhavji. The revised scope included in addition to the earlier scope, transmission of shares with or without legal representation.

Composition of the Committee and attendance during the year:

Name of the Director	Executive/ Non Executive	No. of Meetings held	No. of Meetings attended
Mr. P. P. Madhavji (Chairman)	Executive*	17	14
Mr. A. Kakkar	Executive	17	14
Mr. M. Menon**	Executive	17	7
Mr. M. L. Apte	Non Executive	17	4
Mr. H. S. Billimoria	Non Executive	17	6
Mr. J. Ballabh***	Non Executive	17	3
Mr. K. Digvijay Singh	Non Executive	17	2

* Non-executive from 1.1.2001

** Member w. e. f. 1.5.2000

*** Resigned w. e. f. 7.2.2001 and Mr. D. P. Roy was appointed in his place

**** Mr. P. Sreekumar is a member w.e.f. 25th April, 2001

Name and Designation of Compliance Officer

Mr. R.R. Kenkare, Head of Legal & Company Secretary



Nature of Complaint/Query	Total Recd	Total Replied	Pending Queries Days			Remarks, if any
			0-7	7-15	Above -15	
(1) Non Receipt of Interest/Dividend warrants	160	160	—	—	—	
(A) Warrant already paid	37	37	—	—	—	
(B) Fresh cheques issued against request for duplicate warrants	35	35	—	—	—	
(C) Reply sent giving warrant details (Reconciliation in process)	22	22	—	—	—	
(D) Misc. queries in connection with payment	66	66	—	—	—	
(2) Inquiry pertaining to non receipt of shares sent for transfer	119	119	—	—	—	
(3) Inquiry of dematerialisation of shares	71	70	1	—	—	
(4) Name correction	8	8	—	—	—	
(5) Letters received from SEBI and other Statutory bodies	1	1	—	—	—	
Other Correspondence/request received						
(6) Change of address	293	293	—	—	—	
(7) ECS/Mandate Registration	47	47	—	—	—	
(8) Loss of shares	115	115	—	—	—	
(9) Split/Consolidation/Renewal/Duplicate issue of certificates	18	18	—	—	—	
(10) Request for nominations	44	44	—	—	—	
(11) Tax exemption forms	1	1	—	—	—	
(12) Transmission of Securities	64	64	—	—	—	
(13) Exchange/Sub division of old shares	—	—	—	—	—	
(14) Dividend/interest queries including request for changes on live warrants (death certificates/change in bank mandate details/name correction, etc.)	83	83	—	—	—	
(15) Fresh cheques issued against time barred instruments	375	375	—	—	—	
(16) Document registration	44	44	—	—	—	
(17) Queries related to Bonus Issues	1025	1025	—	—	—	
(18) Others (Misc.)	777	777	—	—	—	

General Body Meetings:

Location and time where last three Annual General Meetings held:

Location	Date	Time
M.C. Ghia Hall,	23rd June, 1998	3.30 p.m.
Bhogilal Harigovindas Building,	28th April, 1999	11.30 a.m.
2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001	19th April, 2000	3.30 p.m.

Whether special resolutions were put through postal ballot last year, details of voting pattern. No, Not Applicable.

Person who conducted the postal ballot exercise. Not Applicable.

Are proposed to be conducted through postal ballot. Not Applicable.

Procedure for postal ballot. Not Applicable.

Related Party Transactions:

Disclosures :

The Company does not have any other related party transactions that may have potential conflict with the interests of the Company at large.



Regulatory Compliance :

The Company has complied with all the requirements of regulatory authorities on capital markets and no penalties, strictures have been imposed against it in the last three years.

Means of communication:

Half-yearly report will be sent to each household of shareholders for the period ending 30th June, 2001.

Quarterly results of the Company have been announced within one month of the respective quarter. Whenever the audited results are published for the fourth quarter, it is announced within 3 months of the quarter, as prescribed.

Quarterly results are published either in Indian Express (in English) and Loksatta (in Marathi) or Economic Times (in English) and Maharashtra Times (in Marathi).

Quarterly results have been hosted on the Company's website "www.thomascook.co.in" effective quarter ended 31st December, 2000.

All the official news releases and presentations on significant developments in the Company are hosted on the Company's website and provided to the press simultaneously from time to time.

The Management Discussion and Analysis Report is attached with the Directors' Report in this Annual Report.

General Shareholder information:

AGM :
Date : 8th June, 2001
Time : 3.30 p.m.
Venue : M.C. Ghia Hall, Bhogilal Harigovindas Building, 2nd Floor, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001.

Financial Calendar : January to December

Book Closure : 16th May, 2001 to 8th June, 2001.

Dividend payment date : On or before 7th July, 2001.

Listing on Stock Exchanges :

1. The Stock Exchange, Mumbai,
1st Floor, New Trading Ring, Rotunda Building, P. J. Towers,
Dalal Street, Fort, Mumbai 400 001.
Telephone : 022-265 5860/61
Facsimile : 022-265 8121/5719
2. National Stock Exchange of India Ltd.
Trade World, 2nd Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.
Telephone : 022-497 2950-9
Facsimile : 022-491 4275/497 2985

Stock Code : Securities in — Physical Form No. 413
— Electronic Form No. 500413

Market Price Data : High, Low during each month in the last financial year:

The Stock Exchange, Mumbai:

Sr. No.	Month	High Rs.	Low Rs.
1	Jan	889.90	713.10
2	Feb	1064.75	692.00
3	Mar	850.00	686.00
4	Apr	748.00	618.00
5	May	636.00	565.00
6	June	678.00	355.00
7	July	443.50	381.05
8	Aug	394.85	351.80
9	Sept	388.50	300.85
10	Oct	322.00	262.00
11	Nov	347.00	270.00
12	Dec	358.00	290.00

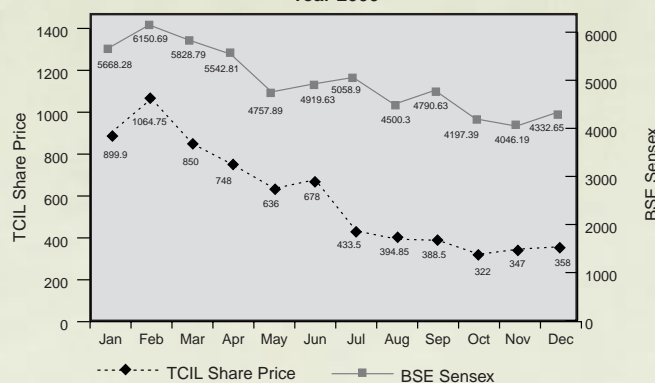


The National Stock Exchange of India Limited:

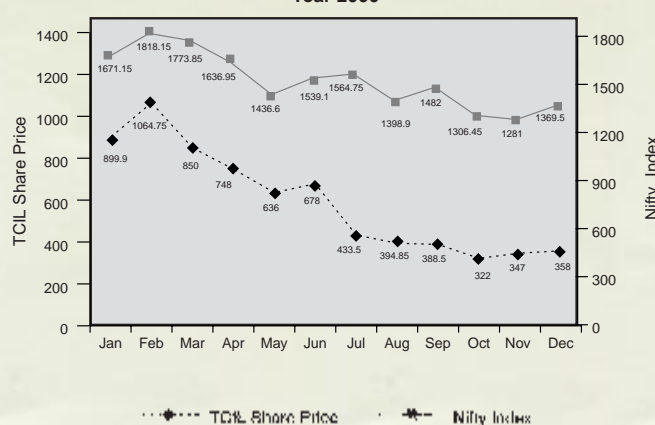
Sr. No.	Month	High Rs.	Low Rs.
1	Jan	873.00	725.00
2	Feb	1100.00	690.00
3	Mar	864.80	680.25
4	Apr	775.00	616.55
5	May	725.00	565.00
6	June	686.00	373.00
7	July	444.95	371.00
8	Aug	395.70	335.00
9	Sept	392.00	303.40
10	Oct	418.85	255.05
11	Nov	350.00	271.00
12	Dec	357.00	296.00

Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.

Performance of TCIL Share Price vis-a-vis BSE Sensex
Year 2000



Performance of TCIL Share price vis-a-vis S & P CNX Nifty
Year 2000



- Notes: 1. Although the shares were traded on the National Stock Exchange from the beginning of the year, the Company's Shares were listed from June, 2000.
2. The share price from June, 2000 onwards reflects the expanded capital base pursuant to the 2:3 Bonus Issue.



Registrar & Transfer Agents - Tata Share Registry Limited,
Army & Navy Building,
148, Mahatma Gandhi Road,
Fort, Mumbai 400 001.
Tel. : 287 3831

Share Transfer System - The Share Transfer & Shareholders'/Investors' Grievance Committee meets at regular intervals so that shares lodged for transfer are dispatched back well within the time limit prescribed in this behalf under the Listing Agreement.

Distribution of shareholding (as on 31.12.2000):

Sr. No.	Range			Holdings	Amount (Rs.)	% to Capital	No. of Holders	% to Capital
1.	1	to	5000	1792927	17929270	12.29	17674	87.68
2.	5001	to	10000	810323	8103230	5.56	1128	5.60
3.	10001	to	20000	1230407	12304070	8.44	1053	5.22
4.	20001	to	30000	348213	3482130	2.39	150	0.74
5.	30001	to	40000	162132	1621320	1.11	48	0.24
6.	40001	to	50000	186384	1863840	1.28	42	0.21
7.	50001	to	100000	283862	2838620	1.95	41	0.20
8.	Greater	than	100000	9769085	97690850	66.99	22	0.11
	Total			14583333	145833330	100.00	20158	100.00

Categories of Shareholders (as on 31.12.2000) :

Sr. No.	Shares held by		No. of Shares	%
1.	Foreign Holdings			
a.	Foreign Collaborators		5833333	40.00
b.	Foreign Financial Institution		111561	0.76
c.	Other NRIs		47659	0.33
	Total		5992553	41.09
2.	Govt./Govt.sponsored Financial Institutions			
a.	Unit Trust of India		709830	4.87
b.	Nationalised Banks - State Bank of India		2187500	15.00
	Other Nationalised Banks		21402	0.15
	Total		2918732	20.02
3.	Foreign Banks		4877	0.03
4.	Other Banks		7876	0.05
5.	Bodies Corporate		642242	4.40
6.	Directors & their Relatives			
a.	Mr. P. P. Madhavji	1388		
	Mr. P. P. Madhavji	2088		
	Ms. Naini Madhavji	861		
	Ms. Nanda Madhavji	250		
	Mr. Premal Madhavji	416		
	Mr. Nakul Madhavji	250		
	Mr. Nakul Madhavji	833	6086	0.04



Sr. No.	Shares held by		No. of Shares	%
b.	Mr. Ashwini Kakkar	3418		
	Mr. Manmohan Vir Kakkar	5000	8418	0.06
c.	Mr. M. L. Apte	5258		
	Ms. Sheela M. Apte	1037		
	Mr. Vaman Madhav Apte	102	6397	0.04
	Total		15901	0.14
7.	Mutual Funds		91951	0.63
8.	Other Resident Individuals		4904201	33.64
	GRAND TOTAL (1+2+3+4+5+6+7+8)		14583333	100.00

Dematerialisation of shares and liquidity:

Status of dematerialisation as on 31.12.2000:

Particulars	No. of shares	% of capital	No. of Accounts
NSDL	6617143	45.37	14399
CDSL	60720	0.42	226
Total Dematted :	6677863	45.79	14625
Physical	7905470	54.21*	5532
Total	14583333	100.00	20157

* of which 40% is held by Thomas Cook Overseas Limited, U.K.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity –

The Company has not issued any of these instruments so far.

Address for correspondence :

Thomas Cook (India) Limited,
Thomas Cook Building,
Dr. D. Naoroji Road, Fort,
Mumbai 400 001
Tel : 204 8556/7/8
Fax : 287 1069
Email: Sharedept@tcookin.com



THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. FOREIGN EXCHANGE

a) Industry Overview

With the relaxation of the regulations and the lowering of the entry barriers, a lot of small players have entered the field. Increased competition has seen the exit of many small players who depend on this business as their source of income. The emergence of a few large players with networks around the country has also resulted in increased competition both in the wholesale and retail segments.

b) Strengths

Thomas Cook (India) Limited (TCIL) is the largest provider of Money Changing service in the country through a network of 51 counters spanning 16 cities. Additionally, TCIL also operates 5 branches in Sri Lanka and 3 outlets in Mauritius through a wholly owned subsidiary. TCIL offers products and services that cater to the needs of all customer segments. TCIL has been awarded 14 out of 15 counters at the Indira Gandhi International Airport in Delhi through a tender process.

c) Risks/Threats

Entry of large players including Banks could pose the risk of increased competition in certain segments of the business. However this will be mitigated by the fact that the needs of travellers will increase due to increased outflow of leisure travellers from India and thus increased inflow of tourists.

The expansion of global credit cards and debit cards pose a threat to the Travellers Cheques business.

d) Outlook

The outlook is good with a view of servicing the retail customers needs. The outlook for the business is good in view of the expected growth of people travelling out of India on both business and leisure as well as the projected increase in the tourism arrivals into India. A growth focus on retail activity will facilitate this in addition to which the growth of other segments in the market covering newish areas that were not available till recently. The introduction of the Foreign Exchange Management Act (FEMA), effective June, 2000 replacing the Foreign Exchange Regulation Act (FERA) has substantially eased the rules and regulations governing foreign exchange and this will facilitate the growth on new areas that have remained untapped so far.

e) Internal control and systems

Thomas Cook through its extensive experience has excellent systems that provide control over the various functions in the business. Additionally periodic audits by Internal Audit, External Auditors, and Regulatory authorities provide a means whereby any weaknesses are exposed and rectified immediately.

2. CORPORATE TRAVEL

a) Industry Overview

The Industry mainly comprises Domestic and International travel. Total estimated volume during 2000 was around 10,000 crores. On All India Basis the total number of International Air Transport Association (IATA) approved agents are 1606. In the unorganised sector, non IATA agents plus others put together is expected to be in excess of 2000.

b) Opportunities

Substantial, increase in travel expected from software companies. Expected growth in 2001 is between 6-8%. Synergy of cross selling other product viz. Foreign Exchange, Leisure Holidays and Card Products.

c) Threats

Entry of global players. Mushrooming of smaller agents. Mergers and acquisitions. Entry of Dot Com companies.

d) Outlook

More capacity by airlines will be added in 2001. Disinvestment of Air India, Indian Airlines. More global alliances of Travel Companies. No major changes in infrastructure during 2000.



e) Risks and Concerns

Commission capping which will result in lower revenue margins. Major corporates will focus on Travel and Entertainment expenditure. Industry slowly moving towards Management Fee concept.

3. LEISURE TRAVEL

a) Industry Overview

No changes in industry structure are foreseen. However, the liberalisation of the outbound air charters will ameliorate the severe constraint in airline seats out of the country and make it possible for Indians to exercise Outbound Leisure options based on air charter travel.

b) Opportunities

Opportunities exist in the area of domestic leisure travel and outbound charters. Depreciation of the rupee vis-a-vis the US Dollar may make outbound travel more expensive for Indians and could effect sentiments.

c) Outlook

With growth in outbound travel in double digits, the outlook for Outbound Leisure is positive. However, the capacity constraint in airline seats needs to be removed to realise the full potential. The growth in Inbound Leisure is around 6% and better marketing of India as a destination will improve prospects of this segment. Domestic Leisure is an area of opportunity which needs to be tapped.

d) Risks

Externalities like natural calamities and conflict remain an area of concern since they effect the sentiments of both Inbound and Outbound Leisure.

4. CARD PRODUCTS

a) Industry Overview

Retail lending is rapidly becoming the cash cows of all banks and financial institutions and banks owing to a very good risk return portfolio. The focus is on credit cards. The market grew by 25% in the last one year, as banks are endeavoring to go deeper and wider into new areas and 3 Nationalised banks have started operations in the last one year. The middle class population has grown by 151% National Council of Applied Economic Research (NCAER) in the last half decade. Lifestyle has changed, acquisition of electronic goods by utilising credit facilities considered luxuries a decade back has risen by 42% Indian Market Research Bureau (IMRB) and travel & entertainment expenditure has gone up to 15% of annual earnings.

As a penetration strategy most of the Card issuers are going into Co-Brands with several Blue Chip Labels such as Thomas Cook-Standard Chartered Bank (SCB) Co-branded credit card - first in travel segment in India Jet-Citibank Co-brand credit card - first in airline industry in India, etc.

b) Strengths:

Thomas Cook is the largest Travel related services provider in the country. This provides a unique opportunity to tap on to individuals who are High Net Individuals, Frequent International Travellers, High spenders on the card.

The Thomas Cook-SCB Credit Card has the advantage of being first Co-Branded Card in the travel segment. It provides International travellers a host of exclusive benefits apart from a payment mechanism. The credit card acts as a Customer Relationship Management (CRM) front-end tool for Thomas Cook., helps in profiling our customers. (Spend patterns/Hotel Usage/ Preferred Airline) etc. In-depth data of customers spending habits provides opportunities for Thomas Cook's core business to customise their products to suit the ever changing customers habits. It helps in preventing cannibalisation of Foreign Exchange business by providing an alternate source of retaining the customer.

c) Risk/Threats

Aggressive discounting on credit card prices is making it difficult to sustain a high price point. The value additions on our cards are benefits only for international travellers. No Domestic usage/value are available. e.g.



Airline Co-brands like Jet-Citibank credit card with strong domestic proposition, which rewards customers on spends by providing Frequent Flyer miles are liked by card members. Debit Cards — Non Credit product hence can be issued with far lesser turnaround times than a Credit Card.

5. I.T. RISKS AND CONCERNS IN VIEW OF THE TECHNOLOGIES - HARDWARE, SOFTWARE AND NETWORKING IMPLEMENTED IN THE COMPANY

a) Risks

All the three components are highly susceptible to technological obsolescence. While hardware and Networking hardware can work a little longer, it is the software which undergoes changes for additional feature or changing environment of the business transaction. The hardware and network hardware is supported by the supplier for a period of 3 years from the date of installation. However software as the platform continues to undergo changes or enhancements.

The network speeds on the Local Area Network (LAN) are being enhanced continuously to accommodate more and more devices other than just computers. Also the Wide Area Network (WAN) speed is increasing due to investments in newer technology by the service providers. All this means there is need for continuous lookout for the communication technology.

b) Concerns :

1. TCIL currently uses 3 main software solutions e.g. SAP, NT and Exchange. The manufacturing companies of these software solutions have come out with new versions. TCIL would have to update with the new versions.
2. Some of the hardware purchased by TCIL over last 3 years is now due for replacement.
3. The networking technology is continuously under improvement due to convergence. Though the TCIL network is capable of handling high volume of data, the network device may need to undergo replacement to take the load of convergence and higher bandwidth.
4. The WAN will warrant a fresh look in the wake of convergence for bandwidth and communication devices e.g. routers, modems, etc.

6. HUMAN RESOURCES

a) Industrial Relations

Relations with the employees remained cordial throughout the year. The Company signed a long term settlement for a period of 3 years with the All India Tourist & Travel Employees Association, the representative body of the bargainable employees of the Company. The settlement was signed in the spirit of co-operation and co-existence. The Management and the Union, both have re-affirmed their support to the Vision of the Company and have decided to work together to achieve the objectives of the Company.

b) Human Resources

This has been a year of significant change for the Company. The Human Resources function has been managing this process of change and has moved to become a strategic partner with the businesses of the Company.

- * The Company started operations of its first international subsidiary in Mauritius. We have deputed two Managers from India to supervise operations of the Company in Mauritius and have recruited 8 local employees.
- * The Company appointed a new Executive Director for Foreign Exchange and a new Executive Director for Finance.
- * We completed restructuring of the Inbound & Outbound Leisure Travel businesses to form an integrated Leisure Travel division and have appointed a new Head for the integrated Leisure Travel business.
- * In the area of Training & Development, we have conducted several training programmes to enhance the managerial effectiveness of our employees.



We continued our association with the University of Buckingham, UK and with Prof. V.S. Mahesh to launch the Customer Service training for our employees. We have now developed a shorter version of this training and all employees in the Company who have not gone through this training programme, are being given this training. We believe that this initiative will strengthen our employees' skills in the area of customer service and will enhance the overall customer focus of the Company.

- * We have nominated several of our employees for external training programmes in order to ensure that we have a knowledgeable employee force in today's highly competitive and continuously changing environment. In the year 2000, we nominated 85 employees for various external training programmes.
- * Performance Review & Development Plan - The Company has modified its existing performance appraisal system in order to make it more objective, transparent and one which will drive performance of the employees and the organisation.

c) Compensation & Benefits Management

In the area of Compensation & Benefits Management, the Company has made substantial progress in order to achieve the stated objective of attaining a competitive position in the service sector in the country.

- * The compensation structure of the Company was completely revamped in order to make it more contemporary, transparent, easy to understand and administer.
- * For the first time the company has launched an aggressive Performance Linked Variable Bonus Plan. We believe that this step will drive the performance orientation among the employees.



AUDITORS' REPORT

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, 2000 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, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, of India, 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 those books and proper returns adequate for the purposes of our audit have been received from the Sri Lanka branch not visited by us;

- (iii) the report on the accounts of the Sri Lanka branch audited by the branch auditors has been forwarded to us and has been dealt with by us in preparing this report;
- (iv) in our opinion, the profit and loss account and balance sheet comply with the accounting standards specified by the Institute of Chartered Accountants of India, referred to in Section 211 (3C) of the Companies Act, 1956;
- (v) based on representations made by all the directors of the Company and the information and explanations as made available, none of the directors of the Company *prima facie* have any disqualification, as referred to in Section 274 (1)(g) of the Companies Act, 1956 in Companies in which they are directors as on the date of the last balance sheet of those Companies;

(vi) *we refer to note no.8 in Schedule P regarding additional remittance of Rs. 48,02,000/- equivalent of GBP 70,000/- relating to acquisition of Sri Lanka Branch operations for which an application for approval has been made with Reserve Bank of India;*

(vii) 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, 2000;

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 : 7th February, 2001.



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, 2000

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 of the Companies Act, 1956, or from Companies under the same management as defined under sub-section (1-B) of Section 370 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 or to Companies under the same management as defined under sub-section (1-B) 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. The Company gave interest free loans and advances to a subsidiary company where no stipulations had 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, 2000 for a period of more than six months from the date they became payable.
12. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses which have been charged to revenue account, nor we have been informed of such cases by the management, 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 : 7th February, 2001.



BALANCE SHEET AS AT 31ST DECEMBER, 2000

	Schedule	As at 31st December, 2000 Rs.	As at 31st December, 1999 Rs.
I. SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Share capital	A	14,58,33,330	8,75,00,000
Reserves and surplus	B	77,22,63,078	75,30,92,439
		<u>91,80,96,408</u>	<u>84,05,92,439</u>
LOAN FUNDS :			
Secured loans	C	21,52,80,095	28,15,89,574
Unsecured loans	D	32,84,02,554	37,12,56,197
		<u>54,36,82,649</u>	<u>65,28,45,771</u>
TOTAL :		<u>1,46,17,79,057</u>	<u>1,49,34,38,210</u>
II. APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross block	E	63,80,07,202	58,49,01,711
Less : Depreciation/Amortisation		19,44,76,700	14,10,42,173
Net block		<u>44,35,30,502</u>	<u>44,38,59,538</u>
Advances for capital expenditure		65,37,277	36,49,264
		<u>45,00,67,779</u>	<u>44,75,08,802</u>
INVESTMENTS	F	7,43,73,541	25,00,090
CURRENT ASSETS, LOANS AND ADVANCES :			
Sundry debtors	G	35,27,76,952	21,81,10,274
Cash and bank balances	H	65,92,41,657	85,25,72,096
Loans and advances	I	43,27,68,675	27,77,60,589
		<u>1,44,47,87,284</u>	<u>1,34,84,42,959</u>
LESS : CURRENT LIABILITIES AND PROVISIONS :			
Current liabilities	J	44,59,84,082	28,14,74,411
Provisions	K	7,36,46,250	4,85,62,500
		<u>51,96,30,332</u>	<u>33,00,36,911</u>
NET CURRENT ASSETS		<u>92,51,56,952</u>	<u>1,01,84,06,048</u>
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
Startup costs of new businesses		1,21,80,785	2,50,23,270
TOTAL :		<u>1,46,17,79,057</u>	<u>1,49,34,38,210</u>

Notes to the accounts
Schedules "A" to "K" and "P" 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 : 7th February, 2001

For and on behalf of the Board of Directors

P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR
M. MENON — EXECUTIVE DIRECTOR- FOREIGN EXCHANGE
R. R. KENKARE — HEAD OF LEGAL & COMPANY SECRETARY

Mumbai
Dated : 7th February, 2001



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2000

	Schedule	Year ended 31st December, 2000 Rs.	Year ended 31st December, 1999 Rs.
INCOME :			
Turnover		79,59,70,148	70,80,40,473
Other income	L	6,06,41,685	3,75,35,002
TOTAL :		85,66,11,833	74,55,75,475
EXPENDITURE :			
Personnel expenses	M	21,78,57,747	14,08,72,617
Advertisement and business promotional expenses		6,65,83,533	4,89,61,076
Interest expense	N	3,56,86,914	4,36,20,477
Other expenses	O	26,11,20,079	21,64,18,237
Amortisation of startup cost		1,31,26,653	—
Depreciation	E	5,93,10,071	4,94,88,555
TOTAL :		65,36,84,997	49,93,60,962
Net profit before taxation		20,29,26,836	24,62,14,513
Provision for taxation		7,86,20,852	6,85,00,000
Add : Excess provision for taxation for earlier years written back		1,21,99,235	26,33,519
Profit after taxation		13,65,05,219	18,03,48,032
Transferred from/(to) reserve (Net) as required under Section 80HHD of the Income-tax Act, 1961		20,00,000	(30,00,000)
		13,85,05,219	17,73,48,032
Balance brought forward from last year		6,37,06,460	3,53,58,428
Amount available for appropriations		20,22,11,679	21,27,06,460
Less : Appropriations			
Proposed dividend		4,81,25,000	4,37,50,000
Corporate dividend tax (previous year includes Rs.4,37,500/- for 1998)		1,08,76,250	52,50,000
Transferred to general reserve		10,00,00,000	10,00,00,000
Balance carried to balance sheet		4,32,10,429	6,37,06,460

Notes to the accounts P
Schedules "E", "L" to "O" and "P" 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

SANJAY HEGDE
Partner

Mumbai
Dated : 7th February, 2001

For and on behalf of the Board of Directors

P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — CHIEF EXECUTIVE OFFICER &
MANAGING DIRECTOR
M. MENON — EXECUTIVE DIRECTOR-
FOREIGN EXCHANGE
R. R. KENKARE — HEAD OF LEGAL &
COMPANY SECRETARY

Mumbai
Dated : 7th February, 2001

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000

	Rs.	As at 31st December, 2000 Rs.	As at 31st December, 1999 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 :			
1,45,83,333 (previous year 87,50,000) Equity shares of Rs.10/- each fully paid-up		14,58,33,330	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 1,38,83,333 (previous year 80,50,000) Equity shares issued as fully paid-up bonus shares by capitalisation of general reserve and capital reserve			
SCHEDULE "B" : RESERVES AND SURPLUS :			
Reserve as required under Section 80HHD of the Income-tax Act, 1961 :			
Balance as per last balance sheet	11,05,00,000		10,75,00,000
Add: Transferred from profit and loss account	1,30,00,000		1,80,00,000
	12,35,00,000		12,55,00,000
Less : Transferred to profit and loss account	1,50,00,000		1,50,00,000
		10,85,00,000	11,05,00,000
General reserve :			
Balance as per last balance sheet	57,88,85,979		47,88,85,979
Less: Capitalised for issue of bonus shares	5,83,33,330		—
	52,05,52,649		47,88,85,979
Add: Transferred from profit and loss account	10,00,00,000		10,00,00,000
		62,05,52,649	57,88,85,979
		4,32,10,429	6,37,06,460
Balance in profit and loss account		77,22,63,078	75,30,92,439
SCHEDULE "C" : SECURED LOANS :			
Overdraft from banks		21,52,80,095	8,15,89,574
(Secured by hypothecation of book debts, stock of currencies and paid documents)		—	20,00,00,000
Term loan from a bank			
(Secured by first pari passu charge on book debts, stock of currencies and paid documents)			
(payable within one year Rs. Nil, previous year Rs. 20,00,00,000/-)		21,52,80,095	28,15,89,574
SCHEDULE "D" : UNSECURED LOANS :			
Overdraft from banks		20,48,97,523	4,49,18,938
Short term loan from a financial institution		—	20,00,00,000
(payable within one year Rs. Nil, previous year Rs. 20,00,00,000/-)			
Commercial paper		10,00,00,000	10,00,00,000
(payable within one year Rs. 10,00,00,000/- previous year Rs. 10,00,00,000/-)			
Foreign currency loan from others		—	2,18,60,000
(payable within one year Rs. Nil, previous year Rs. 2,18,60,000/-)			
From Deutsche Bank AG, Frankfurt, Germany		—	44,77,259
(temporary overdraft in normal course of business)			
From Credit Suisse, Zurich		4,35,570	—
(temporary overdraft in normal course of business)			
From Bank of New York, USA		2,30,69,461	—
(temporary overdraft in normal course of business)		32,84,02,554	37,12,56,197

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000

SCHEDULE "E" : FIXED ASSETS									
Details	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Cost as at 31st December, 1999	Additions on acquisition of Sri Lanka branch operations	Other additions during the year	Disposal/ Adjustments	Cost as at 31st December, 2000	Upto 31st December, 1999	For the year	On Deductions	As at 31st December, 1999
	Rs.	Rs. @	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Goodwill	—	88,31,169	—	—	88,31,169	—	17,66,234	—	70,64,935
Leasehold properties	2,30,14,187	—	—	—	2,30,14,187	1,51,13,584	73,62,297	—	5,38,306
Freehold premises #	24,43,04,524	—	6,40,000	31,00,306	24,18,44,218	1,58,80,976	39,75,799	4,70,463	22,24,57,906
Strong room	6,74,425	—	—	—	6,74,425	3,86,790	42,691	—	2,44,944
Furniture and fixtures	8,86,90,949	10,81,990	87,50,453	8,31,624	9,76,91,768	2,46,10,125	60,70,447	5,85,781	6,75,96,977
Computers	14,04,89,164	3,59,440	1,32,85,919	24,79,562	15,16,54,961	6,25,36,258	3,11,54,505	19,92,025	5,99,56,223
Office equipment	5,83,85,491	3,07,951	2,26,60,588	16,27,485	7,97,26,545	1,22,36,983	40,87,247	5,38,507	6,39,40,822
Vehicles	2,93,42,971	29,84,022	52,27,132	29,84,196	3,45,69,929	1,02,77,457	48,50,851	22,88,768	2,17,30,389
GRAND TOTAL	58,49,01,711	1,35,64,572	5,05,64,092	1,10,23,173	63,80,07,202	14,10,42,173	5,93,10,071	58,75,544	44,35,30,502
Previous Year	52,23,88,810	—	7,69,16,282	1,44,03,381	58,49,01,711	10,30,86,250	4,94,88,555	1,15,32,632	44,38,59,538

NOTE : # Cost of Freehold premises includes:

- 110 (previous year 120) unquoted fully paid shares in various co-operative societies amounting to Rs.5,750/- (previous year Rs.6250/-).
- 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.14,45,06,670/- 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.6,40,000/- (previous year Rs.16,55,000/-)

@ Refer note number 8 in Schedule "P"

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000

	As at 31st December, 2000 Rs.	As at 31st December, 1999 Rs.
SCHEDULE "F" : INVESTMENTS (Long-term) :		
Equity Shares :		
Investments in subsidiary companies at cost (Non-trade, 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
Investments in subsidiary company at cost (Trade, unquoted) :		
TC (Mauritius) Holding Company Limited.		
5,90,000 (previous year Nil) Equity shares of USD 1/- each fully paid-up	2,57,29,900	—
	2,82,29,990	25,00,090
Investments in other companies at cost (Trade, unquoted) :		
Tangerine Beach Hotel Limited.		
1,96,831 (previous year Nil) Ordinary shares of SLR 10/- each fully paid-up	12,79,624	—
Bidorbuy.com		
5,00,000 (previous year Nil) Ordinary shares of USD 0.01 each fully paid-up (Refer Note 7 in schedule "P")	4,46,00,000	—
Debentures :		
Tangerine Beach Hotel Limited.		
Zero coupon redeemable debentures of SLR 100/- each fully paid-up	2,63,927	—
	7,43,73,541	25,00,090
SCHEDULE "G": SUNDRY DEBTORS :		
Unsecured, considered good		
Outstanding exceeding six months	1,24,02,547	94,92,201
Others	34,03,74,405	20,86,18,073
	35,27,76,952	21,81,10,274
Unsecured, considered doubtful		
Outstanding exceeding six months	1,41,93,964	1,56,89,136
Others	1,35,448	4,22,429
	1,43,29,412	1,61,11,565
	36,71,06,364	23,42,21,839
Less : Provision for doubtful debts	1,43,29,412	1,61,11,565
	35,27,76,952	21,81,10,274



SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000

	Rs.	As at 31st December, 2000 Rs.	As at 31st December, 1999 Rs.
SCHEDULE "H" : CASH AND BANK BALANCES :			
Cash and cheques on hand (including foreign currencies-notes and paid documents)		15,87,95,147	38,07,34,737
Remittances in transit :			
Foreign currencies - Notes and paid documents	37,69,58,074		27,63,12,573
Less : Provision for lost remittances	28,13,503		26,25,791
		37,41,44,571	27,36,86,782
Balances with scheduled banks :			
On current account	4,28,74,079		4,75,21,246
On fixed deposit	56,42,313		7,91,45,754
		4,85,16,392	12,66,67,000
Balances with non-scheduled banks:			
On current account with Credit Suisse, Zurich (maximum balance during the year Rs. 72,24,128/- previous year Rs.60,92,780/-)		—	31,67,818
On current account with Bank of New York, USA (maximum balance during the year Rs. 28,85,52,224/- previous year Rs.23,96,18,501/-)		—	5,17,00,135
On current account with ABN Amro Bank, London (maximum balance during the year Rs. 13,83,62,368/- previous year Rs. 4,68,37,903/-)		4,24,85,916	1,66,15,624
From Deutsche Bank AG, Frankfurt, Germany (maximum balance during the year Rs. 1,11,86,997/- previous year Rs. Nil)		19,57,176	—
On current account with HSBC, London (maximum balance during the year Rs. 2,40,60,996/- previous year Rs. Nil)		96,57,576	—
On current account with HSBC, Sri Lanka (maximum balance during the year Rs. 68,79,766/- previous year Rs. Nil)		28,54,105	—
On current account with Pan Asia Bank, Sri Lanka (maximum balance during the year Rs. 38,23,065/- previous year Rs. Nil)		18,876	—
On fixed deposit account with HSBC, Sri Lanka (maximum balance during the year Rs. 81,26,992/- previous year Rs. Nil)		81,26,992	—
On fixed deposit account with Pan Asia Bank, Sri Lanka (maximum balance during the year Rs. 38,17,000/- previous year Rs. Nil)		13,23,064	—
On fixed deposit account with Standard Chartered Grindlays Bank, Sri Lanka (maximum balance during the year Rs.47,73,802/- previous year Rs. Nil)		37,49,692	—
On fixed deposit account with ABN Amro Bank, Sri Lanka (maximum balance during the year Rs. 82,13,982/- previous year Rs. Nil)		76,12,150	—
		65,92,41,657	85,25,72,096



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000

	As at 31st December, 2000 Rs.	As at 31st December, 1999 Rs.
SCHEDULE "I" : LOANS AND ADVANCES :		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received.	38,86,72,913	23,12,27,994
Commercial paper	24,35,076	—
Tax payments less provisions	4,16,60,686	4,65,32,595
	<u>43,27,68,675</u>	<u>27,77,60,589</u>
SCHEDULE "J" : CURRENT LIABILITIES :		
Sundry creditors	35,82,71,662	25,16,60,827
(Refer Note 7 in schedule "P")		
Purchase consideration for acquisition of Sri Lanka branch operations	3,22,42,000	—
(Refer Note 8 in schedule "P")		
Advance payment from customers for which value is still to be given (including travellers cheques, drafts and transfers unpaid)	5,39,20,961	2,85,49,118
Balance in share application money and fractional entitlement on bonus shares refund accounts	1,39,408	1,40,639
Unclaimed dividends	14,10,051	11,23,827
	<u>44,59,84,082</u>	<u>28,14,74,411</u>
SCHEDULE "K" : PROVISIONS :		
Provision for Gratuity	1,46,45,000	—
(Refer Note 9 in schedule "P")		
Proposed dividend	4,81,25,000	4,37,50,000
Corporate dividend tax	1,08,76,250	48,12,500
	<u>7,36,46,250</u>	<u>4,85,62,500</u>



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2000

	Year ended 31st December, 2000 Rs.	Year ended 31st December, 1999 Rs.
SCHEDULE "L" : OTHER INCOME :		
Interest on :		
Bank accounts	54,63,631	42,27,248
(tax deducted at source Rs.9,75,207/- previous year Rs.5,08,632/-)		
Refund of tax	1,62,56,526	24,72,355
Others	1,36,586	1,24,741
Dividend on long-term investments — from subsidiary companies	52,18,774	15,00,000
Rent	1,72,908	94,838
Profit on sale of fixed assets	36,00,845	8,20,106
Exchange differences (net) other than in normal course of business as foreign exchange authorised dealers	1,08,81,534	89,20,063
Provision for remittances lost in transit (net)	—	30,132
Provision for bad and doubtful debts (net)	7,54,607	—
Management fees	17,02,500	24,62,264
Miscellaneous income	1,64,53,774	1,68,83,255
	<u>6,06,41,685</u>	<u>3,75,35,002</u>

SCHEDULE "M" : PERSONNEL EXPENSES :

Salaries, wages and bonus	13,83,96,220	10,05,52,513
Contribution to provident and other funds	1,47,41,700	1,21,76,292
Premium on/provision for gratuity-cum-life assurance policy	1,84,60,680	24,62,506
Staff welfare	2,65,08,156	1,72,58,359
Staff training, recruitment & other cost	94,72,292	27,67,626
Incentive/Commission to staff and directors	1,02,78,699	56,55,321
	<u>21,78,57,747</u>	<u>14,08,72,617</u>

SCHEDULE "N" : INTEREST EXPENSE :

On bank overdraft	1,10,05,099	2,45,90,629
On term loan	1,74,13,769	1,18,67,531
On Commercial paper	72,68,046	71,62,317
	<u>3,56,86,914</u>	<u>4,36,20,477</u>



SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2000

	Year ended 31st December, 2000	Year ended 31st December, 1999
Rs.	Rs.	Rs.
SCHEDULE "O" : OTHER EXPENSES :		
Rent	2,22,86,582	1,82,37,629
Rates and taxes	12,07,681	19,67,384
Insurance	28,57,203	6,64,306
Repairs to building	1,74,461	1,19,867
Other repairs and maintenance	1,81,31,875	1,38,11,078
Electricity	1,51,67,211	1,18,93,784
Printing and stationery	1,68,15,963	1,15,38,171
Postage, telegrams, telex and telephones	3,80,41,072	3,40,50,336
Freight currency shipment	72,76,122	69,70,070
Legal and professional fees	1,57,93,269	79,26,391
Statutory Auditors' remuneration:		
Audit fees	4,53,750	3,93,750
Reports under various sections of Income-tax Act, 1961	8,66,250	7,71,750
Miscellaneous Reports	3,11,852	2,11,769
Reimbursement of out-of-pocket expenses	26,144	50,451
Branch Auditors' remuneration :		
Branch audit fees	51,300	—
	17,09,296	14,27,720
Bank charges including handling charges on remittances	1,70,05,818	1,46,43,898
Travelling and subsistence	4,21,01,858	2,88,53,606
Brokerage and incentives	3,51,43,244	3,76,43,838
Directors' fees	1,18,500	98,000
Security services	56,10,761	55,20,297
Motor car running expenses	73,53,031	56,91,967
Miscellaneous expenses	1,26,44,308	1,30,36,596
Provision for bad and doubtful debts (net)	—	6,89,306
Bad and doubtful debt written off	2,27,313	—
Provision for remittances lost in transit	1,87,711	—
Loss on fixed assets sold/scrapped	12,66,800	16,33,993
	26,11,20,079	21,64,18,237

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000 AND
THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "P"

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 fixed assets is provided at the rates prescribed in Schedule XIV to the Companies Act, 1956, or at the rates determined based on the useful life of the asset whichever is higher. Depreciation on all fixed assets except for computers, vehicles and VSAT including communication router is provided at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on the Straight Line Method. Depreciation on computers, vehicles and VSAT including communication router is provided at 25, 15 and 10 percent respectively determined based on the useful life of the assets. Assets costing less than Rs.5000/- are depreciated fully in the year of purchase. 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) i) 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 the 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.
 - ii) Accounting of foreign branch :

Monetary assets and liabilities have been translated at the closing exchange rate.

Non monetary assets have been translated at the exchange rate prevailing on the date of the transaction.

Revenue items except depreciation have been translated at average rate.

Depreciation have been translated at the rates used for the translation of respective fixed assets.
 - d) Investments :

Investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of investments.
 - 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. Any shortfall/excess based on independent actuarial valuation is accounted for in the relevant period.
 - 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 and card product 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.
 - g) Start up costs of new businesses :

All costs in relation to new businesses are amortised over a period of two years commencing from the date the new businesses start generating revenues.
 - h) Goodwill :

Goodwill arising on purchase of Sri Lanka branch operations is amortised over a period of five years commencing with the year of purchase.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Rs.1,10,08,765/- (previous year Rs. 43,47,842/-).
 3. Contingent liabilities :
 - i) Claims against the company not acknowledged as debts Rs. 31,81,250/- (previous year Rs. 31,81,250/-)
 - ii) Disputed income-tax demand Rs. 1,85,33,792/- (previous year Rs. 1,85,33,792/-)

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000
AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "P" (contd.)

4. 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.
5. Expenses for the Distribution Centre, amounting to Rs.2,87,71,386/- (previous year Rs.2,18,39,900/-) do not form a part of the expenses of the company, as these are reimbursable by Thomas Cook Travellers Cheques Limited, U.K. and therefore charged to the current account of Thomas Cook Travellers Cheques Limited, U.K.
6. 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.1,16,19,221/- (previous year Rs. 2,15,31,756/-).
7. Pursuant to stock purchase agreement dated 18th July 2000, the company has purchased 5,00,000 ordinary shares of par value USD 0.01 per share at USD 2/- per share aggregating to USD 10,00,000/- in Bidorbuy.com Inc. a company incorporated under the laws of the state of Delaware. As per the terms of the agreement, the company has remitted USD 5,00,000/- being consideration for 2,50,000 ordinary shares. Purchase consideration for balance 2,50,000 ordinary shares is in the form of release of advertisements for promotion of Bidorbuy.com Inc web site in India. As per supplemental agreement dated 27th December, 2000 the cost of such advertisements is Rs. 2,25,00,000/- equivalent of USD 5,00,000/-. Difference, if any, between the actual cost of advertisement incurred at the time of release and cost as mentioned in the above referred supplemental agreement will be adjusted to the carrying value of investment.
8. Pursuant to the main agreement dated 17th October, 2000 and supplemental agreement dated 29th January, 2001 entered between the company and Thomas Cook Overseas Limited (TCOL) read together with approval of Reserve Bank of India (RBI) dated 30th December, 2000, the company has purchased Sri Lanka branch operations of TCOL w.e.f. 1st January, 2000 for a consideration of GBP 4,00,000/-. In addition to purchase consideration of GBP 4,00,000/- as stated, in terms of above referred agreement Company is also required to remit/repatriate GBP 70,000/- being the parental profits for the years 1997, 1998 and 1999 for which an application has been made with RBI and such approval is awaited.

As per the above referred agreement, purchase consideration of GBP 4,00,000/- have been allocated as under:

Fixed assets GBP 69,000/-, Investments GBP 23,000/-, net current assets GBP 1,79,000/- and Goodwill GBP 1,29,000/-.

Accordingly the operations of the Sri Lanka branch for the year 2000 have been incorporated in this financial statement and therefore the figures for the current year are not comparable to those of the previous year.

9. The company's Gratuity Scheme is administered by Life Insurance Corporation of India (LIC). The Company has made premium contributions towards the Gratuity Scheme as called for by LIC.

During the year the Company has obtained actuarial valuation of the present value of Gratuity Service liability from an independent Actuary so as to ascertain whether funds available with LIC are sufficient to meet the present value of Gratuity Service Liability. As per the independent Actuary's report, the present fund size available with LIC, as compared to present value of Gratuity Service liability is short by Rs. 1,46,45,000/- (including upto 31st December, 1999 Rs. 1,01,31,000/-). The company has provided the same fully.

	Year ended 31st December, 2000 Rs.	Year ended 31st December, 1999 Rs.
10. Managerial Remuneration under Section 198 of the Companies Act, 1956 :		
Whole-time directors (excluding gratuity contributed for the company as a whole and including remuneration to Executive Director- Foreign Exchange aggregating to Rs. 32,75,332/- subject to the approval of shareholders)		
Salaries	36,75,097	29,88,848
House Rent Allowance/Perquisite	18,77,065	8,17,390
Commission	36,97,607	37,28,288
Contribution to provident and other funds	9,92,276	8,06,989
Perquisites in cash and in kind	36,34,597	30,05,152
Retirement Benefits	—	1,61,333
	1,38,76,642	1,15,08,000
Commission to non-executive directors	6,45,521	5,39,172
	1,45,22,163	1,20,47,172
Directors' fees	1,18,500	98,000

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "P" (contd.)

	Year ended 31st December, 2000 Rs.	Year ended 31st December, 1999 Rs.
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	13,65,05,219	18,03,48,032
Add:		
Provision for taxation	7,86,20,852	6,85,00,000
Less:		
Excess provision for taxation for earlier years written back	1,21,99,235	26,33,519
	<u>6,64,21,617</u>	<u>6,58,66,481</u>
Remuneration to directors	1,45,22,163	1,20,47,172
Directors' fees	1,18,500	98,000
Depreciation per accounts	5,93,10,071	4,94,88,555
Loss on fixed assets sold/scrapped per accounts	12,66,800	16,33,993
Net profit on fixed assets sold/scrapped as per Section 350	35,77,214	1,46,668
	<u>28,17,21,584</u>	<u>30,96,28,901</u>
Less:		
Depreciation as per Section 350	4,65,36,759	6,82,42,501
Profit on sale of fixed assets per accounts	36,00,845	8,20,106
Net loss on fixed assets sold/scrapped as per Section 350	13,08,636	18,15,260
	<u>5,14,46,240</u>	<u>7,08,77,867</u>
Net Profit	<u>23,02,75,344</u>	<u>23,87,51,034</u>
Commission to non-executive directors @ 1%	22,59,322	23,44,836
Commission to executive directors @ 10%	2,25,93,220	2,34,48,360
Commission payable to directors; restricted by the Board of Directors to	<u>43,43,128</u>	<u>42,67,460</u>
11. Expenditure in foreign currency :		
Interest and bank charges	64,76,736	1,30,84,150
Professional fees	2,68,363	8,88,019
Travelling, subscription and others	95,79,631	95,59,423
12. 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, 1999	1,75,00,000
35,00,000	31st December, 1998	—
		1,75,00,000
13. 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	7,70,326	14,95,831
Communication charges	8,74,167	5,26,760
Receipts from independent tours and travel	14,29,74,285	14,95,61,921
Commission on travellers cheques (refer note 5 above)	1,02,25,794	77,01,550
Management fees	17,02,500	24,62,264
14. C.I.F. value of import in respect of capital goods	29,786	23,08,252



NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000 AND
THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "P" (contd.)

15. 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 2 0 0 0
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

- - - - 5 8 3 3 3

Private Placement

- - - N I L - - -

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

Total Liabilities*

- - 1 9 8 1 4 0 9

* includes current liabilities

Total Assets**

- - 1 9 8 1 4 0 9

** includes current assets

Sources of Funds

Paid-up Capital

- - - 1 4 5 8 3 3

Reserves & Surplus

- - - 7 7 2 2 6 3

Secured Loans

- - - 2 1 5 2 8 0

Unsecured Loans

- - - 3 2 8 4 0 3

Application of Funds

Net Fixed Assets

- - - 4 5 0 0 6 8

Investments

- - - - 7 4 3 7 3

Net Current Assets

- - - 9 2 5 1 5 7

Miscellaneous Expenditure

- - - - 1 2 1 8 1

Accumulated Losses

- - - N I L - - -

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2000

(Pursuant to the Listing Agreement with Stock Exchanges)

	Rs.	2000 Rs.	Rs.	1999 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT BEFORE TAX		20,29,26,836		24,62,14,513
Adjustments for :				
Depreciation	5,93,10,071		4,94,88,555	
Interest on tax refunds	(1,62,56,526)		(24,72,355)	
Interest income	(56,00,217)		(43,51,989)	
Exchange fluctuation	(3,54,747)		(4,24,829)	
Dividend income	(52,18,774)		(15,00,000)	
Profit on sale of fixed assets	(36,00,845)		(8,20,106)	
Loss on sale of fixed assets	12,66,800		16,33,993	
Provision for gratuity	1,46,45,000		—	
Interest expense	3,56,86,914		4,36,20,477	
Start up cost of new businesses (net of payments)	1,28,42,485		(2,50,23,270)	
		9,27,20,161		6,01,50,476
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		29,56,46,997		30,63,64,989
Adjustments for :				
Trade and other receivables	(28,86,62,287)		(11,88,93,883)	
Trade payable / provisions	16,45,72,505		(10,52,59,116)	
		(12,40,89,782)		(22,41,52,999)
CASH GENERATED FROM OPERATIONS		17,15,57,215		8,22,11,990
Interest paid	(3,57,49,748)		(4,37,84,591)	
Interest received on tax refund	1,03,99,438		1,66,355	
Interest received	59,27,666		43,30,252	
Direct taxes paid-net of refund	(6,63,62,208)		(8,92,24,838)	
		(8,57,84,852)		(12,85,12,822)
NET CASH FROM / (USED) IN OPERATING ACTIVITIES		8,57,72,363		(4,63,00,832)
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of fixed assets / goodwill	(6,70,16,677)		(6,93,17,217)	
Sale of fixed assets	74,81,674		20,56,862	
Increase in investments	(7,18,73,451)		—	
Dividend received	52,18,774		15,00,000	
NET CASH USED IN INVESTING ACTIVITIES		(12,61,89,680)		(6,57,60,355)
C CASH FLOW FROM FINANCING ACTIVITIES				
(Decrease)/Increase in borrowings	(10,91,63,122)		8,49,94,670	
Dividend paid	(4,37,50,000)		(4,37,50,000)	
NET CASH USED IN FINANCING ACTIVITIES		(15,29,13,122)		4,12,44,670
NET (DECREASE) / INCREASE IN CASH OR CASH EQUIVALENT (A+B+C)		(19,33,30,439)		(7,08,16,517)
CASH AND CASH EQUIVALENT AS AT THE COMMENCEMENT OF THE YEAR		85,25,72,096		92,33,88,613
CASH AND CASH EQUIVALENT AS AT THE END OF THE YEAR		65,92,41,657		85,25,72,096
NET (DECREASE) / INCREASE AS DISCLOSED ABOVE		(19,33,30,439)		(7,08,16,517)

Note: The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on cash flow statements issued by the Institute of Chartered Accountants of India.

For and on behalf of the Board of Directors
A.M.KAKKAR
CHIEF EXECUTIVE OFFICER
& MANAGING DIRECTOR

Mumbai
Dated : 7th February, 2001

AUDITORS' CERTIFICATE

We have examined the above cash flow statement of Thomas Cook (India) Limited for the year ended 31st December, 2000. 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, 1999 and 31st December, 2000

Mumbai
Dated : 7th February, 2001

For Lovelock & Lewes
Chartered Accountants
SANJAY HEGDE
Partner



INFORMATION REGARDING SUBSIDIARY COMPANIES PURSUANT TO
SECTION 212(l)(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	TC (Mauritius) Holding Co. Limited	TC (Mauritius) Operations Co. 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	Holding Company along with a nominee holds 5,90,000 shares of USD 1/- each fully paid-up	TC (Mauritius) Holding Co. Ltd. along with a nominee holds 1,50,000 shares of MRU 100/- 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, 2000	Rs. 19,88,427	—	—	—	USD 19,098	MRU 4,70,900
ii) For the Subsidiary Company's previous financial years	Rs. 78,66,623	—	—	—	—	—
(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, 2000	—	—	—	—	—	—
ii) For the Subsidiary Company's previous financial years	—	—	—	—	—	—

For and on behalf of the Board of Directors

P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR
M. MENON — EXECUTIVE DIRECTOR — FOREIGN EXCHANGE
R. R. KENKARE — HEAD OF LEGAL & COMPANY SECRETARY

Mumbai

Dated : 7th February, 2001



DIRECTORS' REPORT

TO THE MEMBERS :

Your Directors have pleasure in presenting the Eighth Annual Report, together with the Balance Sheet and Profit and Loss Account for the year ended 31st December, 2000.

FINANCIAL RESULTS :

The Company has produced good results during the year ended 31st December, 2000 despite keen competition affecting all the areas of the Company's activities and overall economic conditions.

	Jan/Dec. 2000	Jan/Dec. 1999
	(Amount in Rupees)	
Profit before taxation	1,00,08,427	42,61,325
Provision for Taxation	37,50,000	20,00,000
Profit after Taxation	62,58,427	22,61,325
Interim Dividend	35,00,000	15,00,000
Corporate Dividend Tax	7,70,000	1,65,000
Transferred to General Reserve	6,25,843	2,26,132

At present your Company operates through its 7 offices at Mumbai, Bangalore, New Delhi, Hyderabad, Pune, Calcutta & 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 :

During the year your Directors paid an interim dividend of 140%. The dividend absorbed Rs. 35,00,000/- and corporate dividend tax absorbed Rs. 7,70,000/-. In view of the interim dividend paid, no final dividend is recommended by the Board of Directors.

GENERAL RESERVE :

Your Directors have transferred Rs. 6,25,843/- to the General Reserve out of the profits of the Company.

The total Reserves & Surplus now stands at Rs. 98,55,050/- as at 31st December, 2000.

DIRECTORS :

Mr. R. Sridhar resigned as a Managing Director of the company effective 1st December, 2000. Your Directors place on record their appreciation for the valuable services rendered by Mr. Sridhar during his tenure.

Mr. Madhavan Menon and Mr. Prakash Asnani were appointed as Additional Directors of the Company under Article 117 of the Articles of Association of the Company effective 8th November, 2000 and 3rd January, 2001, respectively. They will hold office up to the date of the forthcoming Annual General Meeting and are eligible for re-appointment. In accordance with Section 257 of the Companies Act, 1956, the Company has received notices in writing proposing the candidatures of Mr. Menon and Mr. Asnani.

Mr. Prakash Asnani has also been appointed as Managing Director of the Company for a period of three years effective 3rd January, 2001 to 2nd January, 2004, subject to the consent of the Company in General Meeting and requisite approval of the Government.

In accordance with Article 131 of the Articles of Association, Mr. A. Kakkar and Mr. M. V. Laxminarayanan retire by rotation and being eligible offer themselves for re-appointment.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE :

The foreign exchange earnings during the year amounted to Rs. 9,56,601/-.

During the year, the Company has incurred expenditure in foreign currency towards subscription and travel amounting to Rs. 2,76,833/- as disclosed under Schedule L Note 7.

Since your Company does not own any manufacturing facility, the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

PUBLIC DEPOSITS :

Your Company has not accepted deposits u/s 58A of the Companies Act, 1956 from the Public.

AUDITORS :

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

EMPLOYEES :

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

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

There are no employees drawing remuneration beyond monetary ceilings prescribed u/s 217(2A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITIES STATEMENT :

1. In the preparation of the annual accounts, the applicable accounting standards were followed along with proper



explanation relating to material departures;

2. The accounting policies were selected and applied consistently and judgements and estimates were made which were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

3. Proper and sufficient care for the maintenance of adequate

accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities were taken and

4. The annual accounts were prepared on a going concern basis.

**COMPLIANCE CERTIFICATE
FROM PRACTICING COMPANY
SECRETARY :**

M/s. P. C. Shah & Co. was appointed to carry out Secretarial

Audit as required u/s 383A of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000. The Compliance Certificate of the said Secretary in whole-time practice is attached to this report.

BY ORDER OF THE BOARD

P. P. MADHAVJI
Chairman

Mumbai

Dated : 6th February, 2001



COMPLIANCE CERTIFICATE

To
 The Members,
 Hindustan Cargo Limited.

We have examined the registers, records, books and papers of Hindustan Cargo Limited (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st December, 2000. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. the company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. the company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made thereunder.
3. the company is a deemed public limited company and has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was 2 (two) excluding its present and past employees. Since Thomas Cook (India) Limited holds 100% of the paid up capital of the company and since the section 43A is deleted by the Companies (Amendment) Act, 2000, we are informed

that the company is in the process of converting itself into a public company and deletion of inconsistent clause(s) in its Articles of Association.

4. the Board of Directors duly met 4 times on 16th February, 2000, 17th April, 2000, 13th July, 2000 and 8th November, 2000 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed and on 18th December, 2000 circular resolution was passed and ratified at the Board Meeting held on 6th February, 2001.
5. the company has not closed its Register of Members as it was a deemed public company so far and accordingly no compliance of Section 154 of the Act is required.
6. the annual general meeting for the financial year ended on 31st December, 1999 was held on 17th April, 2000 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra-ordinary general meeting was held during the financial year under review.
8. the company has not advanced any loans to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. we are informed that there are no contracts within the meaning of section 297 of the Act.
10. there are no transactions 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 Act.

11. there are no appointments or contracts in respect of holding an office or place of profit within the meaning of section 314 of the Act.
12. the company has not issued any duplicate share certificates.
13. the company has :
 - (i) delivered its share certificates on lodgement for transfer in accordance with the provisions of the Act.
 - (ii) complied with the provisions of Section 205A of the Act in relation to declaration and payment of dividend as applicable at that time.
 - (iii) paid interim dividend on 12-12-2000 which was declared on 8-11-2000 and there was no unclaimed/unpaid dividend as are required to be transferred to unpaid dividend account.
 - (iv) no unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid and as are required to be transferred to Investor Education and Protection Fund.
 - (v) duly complied with the requirements of section 217 of the Act.



14. the Board of Directors of the company is duly constituted and the appointment of directors, additional directors, have been duly made.
15. Mr. R. Sridhar was reappointed w.e.f. 1/8/2000 as Managing Director in terms of Section 198, 269 read with Schedule XIII to the Act, at the Board Meeting held on 13-7-2000 for which Form 25C was filed on 9-8-2000. However, Mr. R. Sridhar resigned as Managing Director on 1-12-2000 and Mr. Prakash Asnani was appointed as Managing Director vide Circular resolution dated 18-12-2000 for a period of 3 years from 3-1-2001 to 2-1-2004 in terms of Section 198, 269 read with Schedule XIII to the Act for which Form 25C was filed with the Registrar of Companies on 10/01/2001.
16. the company has not appointed any sole-selling agents.
17. there are no approvals required to be taken by the company from the Central Government, Company Law Board, Regional Director, Registrar or such other applicable authorities as may be prescribed in the Act during the year under review.
18. the directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. the company has not issued any shares/debentures/other securities during the financial year.
20. there are no shares bought back by the company during the financial year ending 31-12-2000.
21. the company has not issued any redeemable preference shares/debentures during the year and there is no redemption of preference shares.
22. there are no pending, keeping in abeyance rights to dividend, rights shares and bonus shares.
23. the company has not accepted deposits within the meaning of section 58A of the Companies Act, 1956.
24. the amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the financial year ending 31st December, 2000 are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual/extra ordinary general meeting.
25. the company has not made any loans and investments or given guarantees or provided securities to other bodies corporate and consequently no entries are made in the Register kept for the purpose.
26. the company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. the company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. the company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. the company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. the company has not altered its articles of association during the year under scrutiny.
31. the company has received show cause notice from the Registrar of Companies in respect of alleged non-filing of Balance Sheet and Annual Return for the year ended 1996 to 1999. However the company has replied vide letter dated 17-7-2000 (acknowledged by Registrar of Companies on 24-7-2000) to the Registrar of Companies conforming that the said Balance Sheet and Annual Return for the aforesaid years were already filed by it within the prescribed time limits.
32. the company has not received any amount as security from its employees during the year under certification as per provisions of section 417(1) of the Act.
33. the company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For P. C. SHAH & CO.

(Pradip C. Shah)
 Practising Company Secretary
 Proprietor

Mumbai
 Date : 6th February, 2001.



ANNEXURE A

Registers as maintained by the Company:

1. Register of Members u/s. 150.
2. Register of Charges u/s. 143.
3. Books of Accounts u/s. 209.
4. Register of Directors, Managing Director, Manager and Secretaries u/s. 303.
5. Register of Contracts with the companies and firms in which directors are directly or indirectly interested u/s. 301.
6. Register of Directors' Shareholding u/s. 307.
7. Register of Investments in shares or securities not held in company's name.
8. Common Seal Register.
9. Register of Directors' Attendance in Board Meeting.
10. Minutes Book of Annual General Meeting u/s. 193.
11. Minutes Book of Board Meeting u/s. 193.
12. Register of Intercompany Loans and Investments.

For **P. C. SHAH & CO.**

(Pradip C. Shah)
Practising Company Secretary
Proprietor

Place : Mumbai
Date : 6th February, 2001.

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st December, 2000.

1. Form I, II, III filed u/s. 187 for declarations to be made u/s. 187 (C) of the Companies Act, 1956.
2. Balance Sheet for the year ended 31-12-1999 filed u/s. 220.
3. Annual Return filed under Schedule V to the Companies Act, 1956 in respect of AGM held on 17th April, 2000.
4. Form 32 filed u/s. 303(2) for re-appointment of Mr. R. Sridhar as Managing Director.
5. Form 23 filed u/s. 192 for re-appointment of Mr. R. Sridhar as Managing Director and revision in his remuneration.
6. Form 25 C filed u/s. 269 and Schedule XIII for re-appointment of Mr. R. Sridhar.
7. Form 32 filed u/s. 303(2) filed for resignation of Mr. R. Sridhar and appointment of Mr. Madhavan Menon.
8. Form 32, Form 29, Form 23 and Form 25C filed for appointment of Mr. Prakash Asnani as Managing Director.

For **P. C. SHAH & CO.**

(Pradip C. Shah)
Practising Company Secretary
Proprietor

Place : Mumbai
Date : 6th February, 2001.



AUDITORS' REPORT

To the Members of Hindustan Cargo Limited

1. We have audited the attached balance sheet of Hindustan Cargo Limited as at 31st December, 2000 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 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, of India, 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 of 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 those books;

- (iii) in our opinion, the profit and loss account and balance sheet comply with the accounting standards specified by the Institute of Chartered Accountants of India, referred to in Section 211 (3C) of the Companies Act, 1956;

- (iv) based on representations made by all the Directors of the Company and the information and explanations as made available, none of the Directors of the Company *prima facie* have any disqualification, as referred to in Section 274 (1)(g) of the Companies Act, 1956 in Companies in which

they are Directors as on the date of the last balance sheet of those Companies;

- (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with 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, 2000;
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 : 12th February, 2001.



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, 2000.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All 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 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 sub-section (1-B) of Section 370 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 or to Companies under the same management as defined under sub-section (1-B) of Section 370 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 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 and wealth tax were outstanding as at 31st December, 2000 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. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses which have been charged to revenue account, nor we have been informed of such cases by the management, other than those payable under contractual obligations or in



ANNEXURE TO THE AUDITORS' REPORT

- 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 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) 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 Lovelock & Lewes
Chartered Accountants

N. RAMESH RAJAN
Partner

Chennai

Dated : 12th February, 2001.



BALANCE SHEET AS AT 31ST DECEMBER, 2000

	Schedule	As at 31st December, 2000 Rs.	As at 31st December, 1999 Rs.
I. SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS :			
Share capital	A	25,00,000	25,00,000
Reserves and surplus	B	98,55,050	78,66,623
		<u>1,23,55,050</u>	<u>1,03,66,623</u>
LOAN FUNDS :			
Unsecured loans	C	—	17,38,527
TOTAL :		<u>1,23,55,050</u>	<u>1,21,05,150</u>
II. APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross block	D	69,98,704	56,58,854
Less : Depreciation		27,11,512	24,03,468
Net block		<u>42,87,192</u>	<u>32,55,386</u>
CURRENT ASSETS, LOANS AND ADVANCES :			
Sundry debtors	E1	1,09,74,091	94,56,039
Cash and bank balances	E2	2,92,17,970	32,91,767
Loans and advances	E3	7,60,81,731	70,35,194
		<u>11,62,73,792</u>	<u>1,97,83,000</u>
LESS : CURRENT LIABILITIES AND PROVISIONS :			
Current Liabilities	F	10,77,28,752	1,05,53,405
Provisions	G	4,77,182	3,79,831
		<u>10,82,05,934</u>	<u>1,09,33,236</u>
NET CURRENT ASSETS		<u>80,67,858</u>	<u>88,49,764</u>
TOTAL :		<u>1,23,55,050</u>	<u>1,21,05,150</u>

Notes to the accounts

L

Schedules "A" to "G" 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

N. RAMESH RAJAN
Partner

Chennai
Dated : 12th February, 2001.

For and on behalf of the Board of Directors

P. P. MADHAVJI — CHAIRMAN

PRAKASH ASNANI — MANAGING DIRECTOR

A. M. KAKKAR — DIRECTOR

MADHAVAN MENON — DIRECTOR

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

Mumbai
Dated : 6th February, 2001.



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2000

	Schedule	Year ended 31st December, 2000 Rs.	Year ended 31st December, 1999 Rs.
INCOME :			
Income from services rendered	H	3,26,29,712	2,23,95,203
Other income	I	19,75,239	7,19,516
TOTAL :		3,46,04,951	2,31,14,719
EXPENDITURE :			
Personnel expenses	J	88,12,239	75,65,911
Other expenses	K	1,51,31,732	1,06,16,898
Depreciation	D	6,52,553	6,70,584
TOTAL :		2,45,96,524	1,88,53,393
Profit before taxation		1,00,08,427	42,61,326
Provision for taxation		37,50,000	20,00,000
Profit after taxation		62,58,427	22,61,326
Balance brought forward from last year		68,94,183	65,23,989
Amount available for appropriations		1,31,52,610	87,85,315
Less :			
Interim Dividend paid		35,00,000	15,00,000
Corporate dividend tax		7,70,000	1,65,000
Transferred to general reserve		6,25,843	2,26,132
Balance carried to balance sheet		82,56,767	68,94,183

Notes to the accounts

L

Schedules "D", "H" 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

N. RAMESH RAJAN
 Partner

Chennai
 Dated : 12th February, 2001.

For and on behalf of the Board of Directors

P. P. MADHAVJI — CHAIRMAN
 PRAKASH ASNANI — MANAGING DIRECTOR
 A. M. KAKKAR — DIRECTOR
 MADHAVAN MENON — DIRECTOR
 S. K. JHAVERI (MRS.) — COMPANY SECRETARY

Mumbai
 Dated : 6th February, 2001.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000

	Rs.	As at 31st December, 2000 Rs.	As at 31st December, 1999 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
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 of the company 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	9,72,440		7,46,308
Add: Transferred from profit and loss account	6,25,843		2,26,132
		15,98,283	9,72,440
Balance in profit and loss account		82,56,767	68,94,183
		98,55,050	78,66,623
SCHEDULE "C" : UNSECURED LOANS :			
From Bank — Short term		—	17,38,527
		—	17,38,527

SCHEDULE "D" : FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31st December, 1999 Rs.	Additions during the year Rs.	Deductions Rs.	As at 31st December, 2000 Rs.	Upto 31st December, 1999 Rs.	For the year Rs.	On Deductions Rs.	Upto 31st December, 2000 Rs.	As at 31st December, 2000 Rs.	As at 31st December, 1999 Rs.
Furniture and fixtures	4,97,413	30,870	—	5,28,283	2,07,911	37,035	—	2,44,946	2,83,337	2,89,502
Office equipment	22,39,419	2,75,858	1,28,361	23,86,916	5,07,262	1,23,524	33,834	5,96,952	17,89,964	17,32,157
Vehicles	17,53,089	13,37,104*	3,73,250	27,16,943	8,55,743	3,11,222	2,09,776	9,57,189	17,59,754	8,97,346
Computers	11,68,933	3,00,631	1,03,002	13,66,562	8,32,552	1,80,772	1,00,899	9,12,425	4,54,137	3,36,381
GRAND TOTAL	56,58,854	19,44,463	6,04,613	69,98,704	24,03,468	6,52,553	3,44,509	27,11,512	42,87,192	32,55,386
Previous Year	53,96,309	7,30,562	4,68,017	56,58,854	18,44,324	6,70,584	1,11,440	24,03,468	32,55,386	—

* Represents assets purchased under Hire Purchase agreement.
 Refer Note 5 in Schedule "L".



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000

	Rs.	As at 31st December, 2000 Rs.	As at 31st December, 1999 Rs.
SCHEDULE "E1" : SUNDRY DEBTORS :			
Debts outstanding for a period exceeding six months :			
Unsecured, considered good		5,68,829	4,53,352
Unsecured, considered doubtful		5,58,628	9,63,000
		<u>11,27,457</u>	<u>14,16,352</u>
Less : Provision for doubtful debts		5,58,628	9,63,000
		<u>5,68,829</u>	<u>4,53,352</u>
Other Debts			
Unsecured, considered good		1,04,05,262	90,02,687
		<u>1,09,74,091</u>	<u>94,56,039</u>
SCHEDULE "E2" : CASH AND BANK BALANCES :			
Cash on hand (including cheques on hand)		5,08,351	1,95,419
Balances with scheduled banks :			
On current account	2,83,74,619		26,71,348
On fixed deposit*	<u>3,35,000</u>		<u>4,25,000</u>
		<u>2,87,09,619</u>	<u>30,96,348</u>
		<u>2,92,17,970</u>	<u>32,91,767</u>
* Margin money with Banks Rs. 3,35,000/- (Previous year Rs. 4,25,000/-)			
SCHEDULE "E3" : LOANS AND ADVANCES :			
Advances recoverable in cash or in kind or for value to be received*			
Unsecured, considered good	7,34,31,120		35,84,051
Unsecured, considered doubtful	<u>—</u>		<u>30,000</u>
	7,34,31,120		36,14,051
Less: Provision for doubtful advances	<u>—</u>		<u>30,000</u>
		7,34,31,120	35,84,051
Balance with customs, port trust, etc.:			
On current account	2,93,004		13,33,398
On security deposit account	<u>70,000</u>		<u>70,000</u>
		3,63,004	14,03,398
Advance Payment of Tax Less provision**		22,87,607	20,47,745
		<u>7,60,81,731</u>	<u>70,35,194</u>

* includes Rs. 25,000/- of 7 year National Saving Certificate deposited with customs (31/12/99 Rs. 25,000/-)

** Net of Provision of Rs.1,61,85,000/- (Previous year Rs.1,24,35,000/-).

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000 AND
THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

	Year ended 31st December, 2000 Rs.	Year ended 31st December, 1999 Rs.
SCHEDULE "F" : CURRENT LIABILITIES :		
Sundry creditors	1,31,03,524	96,35,535
Other liabilities	58,401	1,51,318
Advance payment from customers	9,45,66,827	7,66,552
	<u>10,77,28,752</u>	<u>1,05,53,405</u>
SCHEDULE "G" : PROVISIONS :		
Provision for Leave Salary	4,77,182	3,79,831
	<u>4,77,182</u>	<u>3,79,831</u>
SCHEDULE "H" : INCOME FROM SERVICES RENDERED :		
Commission	1,46,23,566	1,03,59,013
Agency	1,80,06,146	1,20,36,190
	<u>3,26,29,712</u>	<u>2,23,95,203</u>
SCHEDULE "I" : OTHER INCOME :		
Interest on Fixed deposits (gross)	89,719	64,718
(tax deducted at source Rs. 1,311/- Previous year Rs. 698/-)		
Profit on sale of fixed assets	13,583	—
Exchange gain (Net)	8,63,700	5,75,463
Miscellaneous income	4,83,270	4,504
Liabilities/Provision no longer required	5,24,967	74,831
	<u>19,75,239</u>	<u>7,19,516</u>
SCHEDULE "J" : PERSONNEL EXPENSES :		
Salaries, wages, bonus and commission	62,26,900	55,58,300
Contribution to provident and other funds	7,37,678	5,12,694
Contribution to gratuity and superannuation funds	1,91,813	2,22,456
Staff welfare	16,55,848	12,72,461
	<u>88,12,239</u>	<u>75,65,911</u>
SCHEDULE "K" : OTHER EXPENSES :		
Rent	13,03,008	11,40,325
Repairs and maintenance	19,50,701	15,76,815
Motor car running expenses	7,51,335	8,24,104
Insurance	26,616	26,965
Brokerage and incentives	9,27,038	3,61,794
Printing and stationery	5,59,835	5,48,858
Postage, telegrams, telex and telephones	21,67,438	20,16,199
Provision for doubtful debts and advances	90,594	5,44,211
Auditors' remuneration :		
For Audit :		
As Auditors		
Fees	2,83,500	1,56,450
Expenses	—	6,820
For Other Services		
Miscellaneous Certification	50,000	78,750
	<u>3,33,500</u>	<u>2,42,020</u>
Directors' fees	9,000	10,000
Legal and professional fees	1,99,424	2,62,682
Travelling and subsistence	21,62,908	19,04,570
Loss on fixed assets sold/scrapped	—	3,56,577
Miscellaneous expenses*	46,50,335	8,01,778
	<u>1,51,31,732</u>	<u>1,06,16,898</u>

(*Refer Note 4 in Schedule "L")



**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000 AND
THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

SCHEDULE "I"

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 cost 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 and in the manner prescribed in Schedule XIV to the Companies Act, 1956, except that in respect of computers and vehicles, the depreciation rates applied are 25 percent and 15 percent respectively. Assets costing less than Rs. 5,000/- are charged off on a proportionate basis from the date of purchase.
- 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 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) 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. Leave encashment liability is accounted for as per the applicable rules of the company.

2. Contingent liabilities not provided for :

Claim against the Company not acknowledged as debt — NIL (Previous Year Rs. 2,02,840/-).

3. Hitherto, income from services was accounted for net of recoveries. Effective 1st January, 2000 the company has accounted for the service income on a gross basis. Consequent to this change, income from services for the current year is higher by Rs. 37,40,390/- with corresponding increase in expenses, although this change does not have any impact on the profit for the year. However, previous years service income figures are disclosed net of recoveries and to the extent are strictly not comparable with current year figures. Previous years figures have been regrouped/reclassified wherever necessary except in respect of income from services as stated above.
4. Miscellaneous expenses for the current year includes clearance expenses Rs. 37,40,390/-.
5. The overdraft facility is secured by way of first charge on fixed assets and by hypothecation of current assets of the company.



NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	Year ended 31st December, 2000 Rs.	Year ended 31st December, 1999 Rs.
SCHEDULE "L" (contd.)		
6. Managerial Remuneration under section 198 of the Companies Act, 1956 to the Managing Director (excluding gratuity contributed on a global basis)		
Salaries	2,26,600	2,37,600
House perquisites	83,600	84,425
Contribution to provident and other funds	62,832	64,152
Perquisites in cash and in kind	3,55,235	2,37,600
	<u>7,28,267</u>	<u>6,23,777</u>
Director's fees	9,000	10,000
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	62,58,427	22,61,326
Add :		
Provision for taxation	37,50,000	20,00,000
Remuneration to the Managing Director	7,28,267	6,23,777
Director's fees	9,000	10,000
Depreciation per accounts	6,52,553	6,70,584
Loss on fixed assets sold/scrapped per accounts	47,178	3,56,577
Net profit on fixed assets sold as per section 350	59,281	—
	<u>1,15,04,706</u>	<u>59,22,264</u>
Less :		
Depreciation as per section 350	4,54,779	7,69,952
Profit on fixed assets sold as per accounts	60,761	—
Net loss on fixed assets sold as per section 350	59,933	2,70,727
	<u>5,75,473</u>	<u>10,40,679</u>
Net profit	<u>1,09,29,233</u>	<u>48,81,585</u>
Maximum remuneration payable at the rate of 5 percent of the net profits as per section 309 of the Companies Act, 1956	5,46,462	2,44,079
Remuneration per section 198 excluding commission*	6,65,435	5,59,625
* 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		
7. Expenditure in Foreign Currency :		
Subscription/Travel	2,76,833	2,40,020
8. Earnings in Foreign Exchange :		
Commission on export shipment	9,56,601	4,59,426



NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "L" (contd.)

9. 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
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 State Code

1	1
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Balance Sheet Date

3	1
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1	2
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2	0	0	0
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Date Month Year

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

Public Issue	Rights Issue																		
<table border="1" style="display: inline-table;"><tr><td>-</td><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	N	I	L	-	-	-	<table border="1" style="display: inline-table;"><tr><td>-</td><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	N	I	L	-	-	-
-	-	-	N	I	L	-	-	-											
-	-	-	N	I	L	-	-	-											
Bonus Issue	Private Placement																		
<table border="1" style="display: inline-table;"><tr><td>-</td><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	N	I	L	-	-	-	<table border="1" style="display: inline-table;"><tr><td>-</td><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	N	I	L	-	-	-
-	-	-	N	I	L	-	-	-											
-	-	-	N	I	L	-	-	-											

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

Total Liabilities*	Total Assets**																		
<table border="1" style="display: inline-table;"><tr><td>-</td><td>-</td><td>-</td><td>1</td><td>2</td><td>0</td><td>5</td><td>6</td><td>1</td></tr></table>	-	-	-	1	2	0	5	6	1	<table border="1" style="display: inline-table;"><tr><td>-</td><td>-</td><td>-</td><td>1</td><td>2</td><td>0</td><td>5</td><td>6</td><td>1</td></tr></table>	-	-	-	1	2	0	5	6	1
-	-	-	1	2	0	5	6	1											
-	-	-	1	2	0	5	6	1											
* includes current liabilities	** includes current assets																		
Sources of Funds	Reserves & Surplus																		
Paid-up Capital	<table border="1" style="display: inline-table;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>9</td><td>8</td><td>5</td><td>5</td></tr></table>	-	-	-	-	-	9	8	5	5									
-	-	-	-	-	9	8	5	5											
<table border="1" style="display: inline-table;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>2</td><td>5</td><td>0</td><td>0</td></tr></table>	-	-	-	-	2	5	0	0											
-	-	-	-	2	5	0	0												
Secured Loans	Unsecured Loans																		
<table border="1" style="display: inline-table;"><tr><td>-</td><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	N	I	L	-	-	-	<table border="1" style="display: inline-table;"><tr><td>-</td><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	N	I	L	-	-	-
-	-	-	N	I	L	-	-	-											
-	-	-	N	I	L	-	-	-											
Application of Funds	Investments																		
Net Fixed Assets	<table border="1" style="display: inline-table;"><tr><td>-</td><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	N	I	L	-	-	-									
-	-	-	N	I	L	-	-	-											
<table border="1" style="display: inline-table;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>4</td><td>2</td><td>8</td><td>7</td></tr></table>	-	-	-	-	-	4	2	8	7										
-	-	-	-	-	4	2	8	7											
Net Current Assets	Miscellaneous Expenditure																		
<table border="1" style="display: inline-table;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>8</td><td>0</td><td>6</td><td>8</td></tr></table>	-	-	-	-	-	8	0	6	8	<table border="1" style="display: inline-table;"><tr><td>-</td><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	N	I	L	-	-	-
-	-	-	-	-	8	0	6	8											
-	-	-	N	I	L	-	-	-											
Accumulated Losses																			
<table border="1" style="display: inline-table;"><tr><td>-</td><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	N	I	L	-	-	-										
-	-	-	N	I	L	-	-	-											



NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER, 2000 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																						
<table><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>3</td><td>4</td><td>6</td><td>0</td><td>5</td></tr></table>	-	-	-	-	3	4	6	0	5	<table><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>2</td><td>4</td><td>5</td><td>9</td><td>7</td></tr></table>	-	-	-	-	2	4	5	9	7				
-	-	-	-	3	4	6	0	5															
-	-	-	-	2	4	5	9	7															
Profit / Loss before tax	Profit / Loss after tax																						
<table><tr><td></td><td>+</td></tr><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>1</td><td>0</td><td>0</td><td>0</td><td>8</td></tr></table>		+	-	-	-	-	1	0	0	0	8	<table><tr><td></td><td>+</td></tr><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>6</td><td>2</td><td>5</td><td>8</td></tr></table>		+	-	-	-	-	-	6	2	5	8
	+																						
-	-	-	-	1	0	0	0	8															
	+																						
-	-	-	-	-	6	2	5	8															
(+ for Profit, — for Loss)																							
Earning per share in Rs.	Dividend @ %																						
<table><tr><td>-</td><td>-</td><td>2</td><td>5</td><td>.</td><td>0</td><td>3</td></tr></table>	-	-	2	5	.	0	3	<table><tr><td>1</td><td>4</td><td>0</td></tr></table>	1	4	0												
-	-	2	5	.	0	3																	
1	4	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 A N D 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	- - - - - - - - - - - - - - -

For and on behalf of the Board of Directors
Signatures to Schedules "A" to "L"
P. P. MADHAVJI — CHAIRMAN
PRAKASH ASNANI — MANAGING DIRECTOR
A. M. KAKKAR — DIRECTOR
MADHAVAN MENON — DIRECTOR
S. K. JHAVERI (MRS.) — COMPANY SECRETARY

Mumbai
Dated : 6th February, 2001.

DIRECTORS' REPORT

TO THE MEMBERS :

Your Directors have pleasure in presenting the Twelfth Annual Report and the Balance Sheet and Profit & Loss account for the year ended 31st December, 2000.

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.

FIXED DEPOSITS :

The company has not accepted any deposit from the public during the year under review.

DIRECTORS :

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

In accordance with Section 257 of the Companies Act, 1956, the company has received notice from a member of the company signifying the candidature of Mr. Madhavan Menon as a director of the company who was appointed as an Additional Director on the Board with effect from 15th January, 2001.

AUDITORS :

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

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:

During the year under review, there was no business carried on by the Company, accordingly information u/s 217(1)(e) of the Companies Act, 1956 is Nil.

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.

DIRECTORS RESPONSIBILITY STATEMENT :

- In the preparation of the annual accounts, the applicable accounting standards were followed along with proper explanation relating to material departures;
- The accounting policies were selected and applied consistently and judgements and estimates were made which were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities were taken;
- The annual accounts were prepared on a going concern basis.

BY ORDER OF THE BOARD

Mumbai
Dated : 7th February, 2001

P. Madhavji A. KAKKAR
Chairman Director

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, 2000 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 those books.
- As the Company was not engaged in any activity during the year, the compliance with the accounting standards specified by the Institute of Chartered Accountants of India, referred to in Section 211(3C) of the Companies Act, 1956 is not applicable.
- Based on representations made by all the Directors of the Company and the information and explanations as made available, none of the Directors of the Company *prima facie* have any disqualification, as referred to in Section 274(1)(g) of the Companies Act, 1956 in Companies in which they are Directors as on the date of the last balance sheet of those Companies.
- 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, 2000,
 - 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 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 of India, 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, 2000.

For Lovelock & Lewes
Chartered Accountants
SANJAY HEGDE
Partner

Mumbai
Dated : 7th February, 2001

BALANCE SHEET AS AT 31ST DECEMBER, 2000

	As at 31st December, 2000 Rs.	As at 31st December, 1999 Rs.
I. SOURCES OF FUNDS :		
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
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.

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

For Lovelock & Lewes
Chartered Accountants
SANJAY HEGDE
Partner
Mumbai
Dated : 7th February, 2001

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR

Mumbai
Dated : 7th February, 2001

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2000

	Year ended 31st December, 2000 Rs.	Year ended 31st December, 1999 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.

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 : 7th February, 2001

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR

Mumbai
Dated : 7th February, 2001

Annexure referred to in the balance sheet as at 31st December, 2000 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 31/12/2000
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

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR

Mumbai
Dated : 7th February, 2001

DIRECTORS' REPORT

TO THE MEMBERS :

Your Directors have pleasure in presenting the Twelfth Annual Report and the Balance Sheet and Profit & Loss account for the year ended 31st December, 2000.

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.

FIXED DEPOSITS :

The company has not accepted any deposit from the public during the year under review.

DIRECTORS :

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

In accordance with Section 257 of the Companies Act, 1956, the company has received notice from a member of the company signifying the candidature of Mr. Madhavan Menon as a director of the company who was appointed as an Additional Director on the Board with effect from 15th January, 2001.

AUDITORS :

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

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:

During the year under review, there was no business carried on by the Company, and accordingly information u/s 217(1)(e) of the Companies Act, 1956 is Nil.

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.

DIRECTORS RESPONSIBILITY STATEMENT :

- In the preparation of the annual accounts, the applicable accounting standards were followed along with proper explanation relating to material departures;
- The accounting policies were selected and applied consistently and judgements and estimates were made which were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities were taken;
- The annual accounts were prepared on a going concern basis.

BY ORDER OF THE BOARD

Mumbai
Dated : 7th February, 2001

P. Madhavji A. KAKKAR
Chairman Director

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, 2000 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 those books.
- As the Company was not engaged in any activity during the year, the compliance with the accounting standards specified by the Institute of Chartered Accountants of India, referred to in Section 211(3C) of the Companies Act, 1956 is not applicable.
- Based on representations made by all the Directors of the Company and the information and explanations as made available, none of the Directors of the Company *prima facie* have any disqualification, as referred to in Section 274(1)(g) of the Companies Act, 1956 in Companies in which they are Directors as on the date of the last balance sheet of those Companies.
- 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, 2000;
 - 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 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 of India, 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, 2000.

For Lovelock & Lewes
Chartered Accountants
SANJAY HEGDE
Partner

Mumbai
Dated : 7th February, 2001

BALANCE SHEET AS AT 31ST DECEMBER, 2000

	As at 31st December, 2000 Rs.	As at 31st December, 1999 Rs.
I. SOURCES OF FUNDS :		
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
TOTAL	30	30
II. APPLICATION OF FUNDS :		
CURRENT ASSETS, LOANS AND ADVANCES :		
Current assets :		
Cash and bank balances	30	30
Cash on hand		
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.

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

For Lovelock & Lewes
Chartered Accountants
SANJAY HEGDE
Partner
Mumbai
Dated : 7th February, 2001

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR
Mumbai
Dated : 7th February, 2001

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2000

	Year ended 31st December, 2000 Rs.	Year ended 31st December, 1999 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.

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 : 7th February, 2001

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR
Mumbai
Dated : 7th February, 2001

Annexure referred to in the balance sheet as at 31st December, 2000 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 31/12/2000

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

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR

Mumbai
Dated : 7th February, 2001

DIRECTORS' REPORT

TO THE MEMBERS :

Your Directors have pleasure in presenting the Twelfth Annual Report and the Balance Sheet and Profit & Loss account for the year ended 31st December, 2000.

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.

FIXED DEPOSITS :

The company has not accepted any deposit from the public during the year under review.

DIRECTORS :

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

In accordance with Section 257 of the Companies Act, 1956, the company has received notice from a member of the company signifying the candidature of Mr. Madhavan Menon as a director of the company who was appointed as an Additional Director on the Board with effect from 15th January, 2001.

AUDITORS :

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

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:

During the year under review, there was no business carried on by the Company, and accordingly required information u/s 217(1)(e) of the Companies Act, 1956 is Nil.

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.

DIRECTORS RESPONSIBILITY STATEMENT :

- In the preparation of the annual accounts, the applicable accounting standards were followed along with proper explanation relating to material departures;
- The accounting policies were selected and applied consistently and judgements and estimates were made which were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities were taken;
- The annual accounts were prepared on a going concern basis.

BY ORDER OF THE BOARD

Mumbai
Dated : 7th February, 2001

A. KAKKAR
Director

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, 2000 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 those books.
- As the Company was not engaged in any activity during the year, the compliance with the accounting standards specified by the Institute of Chartered Accountants of India, referred to in Section 211(3C) of the Companies Act, 1956 is not applicable.
- Based on representations made by all the Directors of the Company and the information and explanations as made available, none of the Directors of the Company *prima facie* have any disqualification, as referred to in Section 274(1)(g) of the Companies Act, 1956 in Companies in which they are Directors as on the date of the last balance sheet of those Companies.
- 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, 2000;
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Mumbai
Dated : 7th February, 2001

For Lovelock & Lewes
Chartered Accountants
SANJAY HEGDE
Partner

BALANCE SHEET AS AT 31ST DECEMBER, 2000

	As at 31st December, 2000 Rs.	As at 31st December, 1999 Rs.
I. SOURCES OF FUNDS :		
SHAREHOLDERS' FUNDS :		
Share capital :		
Authorised :		
5,00,000 Equity shares of Rs.10/- each	50,00,000	50,00,000
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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.

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

For Lovelock & Lewes
Chartered Accountants
SANJAY HEGDE
Partner
Mumbai
Dated : 7th February, 2001

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR
Mumbai
Dated : 7th February, 2001

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2000

	Year ended 31st December, 2000 Rs.	Year ended 31st December, 1999 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.

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 : 7th February, 2001

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR
Mumbai
Dated : 7th February, 2001

Annexure referred to in the balance sheet as at 31st December, 2000 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 **31/12/2000**
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

For and on behalf of the Board of Directors
P. P. MADHAVJI — CHAIRMAN
A. M. KAKKAR — DIRECTOR

Mumbai
Dated : 7th February, 2001

DIRECTORS' REPORT

TO THE MEMBERS:

- The Directors submit herewith their Annual Report together with the accounts for the year ended 31st December, 2000.
- State of affairs and review of activities**
 The Profit and Loss Account for the year ended 31st December, 2000 is set out here below.
 The main activity of the company is holding of investments.
- Dividends**
 The Directors have declared and paid a dividend of USD37,000/- (1999-Nil) for the year ended 31st December, 2000.
- Change in shareholding**
 Thomas Cook (India) Limited acquired a 100% holding in 'Maestro Investments Limited' on 19th January, 2000, and changed its name to 'TC (Mauritius) Holding Co. Ltd'.
- Auditor**
 A resolution to re-appoint Messrs J. Raymond Lamusse, F.C.A., F.C.C.A. as auditor of the company will be proposed at the next Annual General Meeting.

BY ORDER OF THE BOARD
 MULTICONSULT LTD.
 Secretary

Port Louis
 Mauritius
 Dated : 23rd January, 2001

AUDITORS' REPORT

We have audited the accounts of TC (Mauritius) Holding Co. Ltd. which have been prepared on the basis of the accounting policies described in the notes to the accounts.

Respective responsibilities of Directors and Auditors

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act, 1984 as applicable under the Mauritius Offshore Business Activities Act, 1992. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the accounts give a true and fair view of the state of affairs of the Company as at 31st December, 2000 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the appropriate Accounting Standards and comply with the Companies Act, 1984 as applicable under the Mauritius Offshore Business Activities Act, 1992.

J. RAYMOND LAMUSSE
 F.C.A., F.C.C.A.

Port Louis
 Mauritius
 Dated : 23rd January, 2001

BALANCE SHEET AS AT 31ST DECEMBER, 2000

	Notes	2000 USD	1999 USD
ASSETS EMPLOYED			
NON-CURRENT ASSET			
Investment in subsidiary company	2	5,88,697	—
CURRENT ASSETS			
Accounts receivable	3	—	2
Cash at bank		7,107	4
		<u>7,107</u>	<u>6</u>
CURRENT LIABILITIES			
Accruals		5,382	3,382
Payable to subsidiary company		6,860	—
		<u>12,242</u>	<u>3,382</u>
NET CURRENT LIABILITIES		<u>(5,135)</u>	<u>(3,376)</u>
TOTAL :		<u><u>5,83,562</u></u>	<u><u>(3,376)</u></u>
FINANCED BY			
CAPITAL AND RESERVES			
Share capital	4	5,90,000	1,000
Revenue deficit		(6,438)	(25,536)
		<u>5,83,562</u>	<u>(24,536)</u>
NON CURRENT LIABILITY			
Shareholders' loan	5	—	21,160
TOTAL :		<u><u>5,83,562</u></u>	<u><u>(3,376)</u></u>

The notes from 1 to 13 form an integral part of these accounts.

The accounts were approved by the Board of Directors

J. RAYMOND LAMUSSE LOUIS EMMANEUL NG CHEONG TIN — DIRECTOR
 F.C.A., F.C.C.A. A. M. KAKKAR — DIRECTOR

Port Louis
 Mauritius
 Dated : 23rd January, 2001

Port Louis
 Mauritius
 Dated : 23rd January, 2001

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2000

	Notes	2000 USD	1999 USD
INCOME			
Dividend income	1(d)	42,888	—
EXPENDITURE			
Professional fees		8,860	4,530
Other expenses		6	1
Bank charges		84	23
		<u>8,950</u>	<u>4,554</u>
Operating profit/(loss) for the year	6	33,938	(4,554)
Other income	7	22,160	—
Profit/(loss) before dividends		<u>56,098</u>	<u>(4,554)</u>
Dividends paid	8	37,000	—
Profit/(loss) retained for the year		<u>19,098</u>	<u>(4,554)</u>
Earnings/(loss) per share (cents)	9	10	(4.55)

The notes from 1 to 13 form an integral part of these accounts.

The accounts were approved by the Board of Directors

J. RAYMOND LAMUSSE LOUIS EMMANEUL NG CHEONG TIN — DIRECTOR
 F.C.A., F.C.C.A. A. M. KAKKAR — DIRECTOR

Port Louis
 Mauritius
 Dated : 23rd January, 2001

Port Louis
 Mauritius
 Dated : 23rd January, 2001

**STATEMENT OF CHANGES IN EQUITY —
 31st DECEMBER, 2000**

	Note	Share Capital USD	Revenue deficit USD	Total USD
Balance as at 1st January, 1999		1,000	(20,982)	(19,982)
Loss for the year		—	(4,554)	(4,554)
Balance as at 31st December, 1999		1,000	(25,536)	(24,536)
Balance at 1st January, 2000		1,000	(25,536)	(24,536)
Issue of shares		5,89,000	—	5,89,000
Profit before dividend		—	56,098	56,098
Dividends paid	8	—	(37,000)	(37,000)
Balance as at 31st December, 2000		5,90,000	(6,438)	5,83,562

The notes from 1 to 13 form an integral part of these accounts.

CASH FLOW STATEMENT - 31st DECEMBER, 2000

	Note	2000 USD	1999 USD
Operating activities			
Profit/(loss) before dividend		56,098	(4,554)
Adjustments for:			
Shareholders loan foregone		(22,160)	—
Exchange difference		—	1
Dividend receivable		(42,888)	—
Operating loss before working capital changes		(8,950)	(4,553)
Decrease in accounts receivable		2	—
Increase in accruals		2,000	(3,690)
Increase in amount payable to subsidiary		6,860	—
Cash generated from/(absorbed by) operations		(88)	(8,243)
Investing activities			
Dividend received		42,888	—
Purchase of investments		(5,88,697)	—
Net cash used in investing activities		(5,45,809)	—
Financing activities			
Issue of shares		5,89,000	—
Dividend paid		(37,000)	—
Loan from shareholders		1,000	8,220
Net cash from financing activities		5,53,000	8,220
Increase/(decrease) in cash and cash equivalents		7,103	(23)
Movement in cash and cash equivalents			
As at 1st January, 2000		4	28
Increase/(decrease)		7,103	(23)
Exchange difference		—	(1)
As at 31st December, 2000	11	7,107	4

The notes from 1 to 13 form an integral part of these accounts.

**NOTES TO THE ACCOUNTS — YEAR ENDED
 31st DECEMBER, 2000**

- ACCOUNTING POLICIES**
 The principal accounting policies adopted by the Company are as follows:
 (a) **Basis of accounting**
 The accounts are prepared under the historical cost convention and in accordance with applicable International Accounting Standards.
 (b) **Basis of preparation**
 The financial statements have been prepared in US Dollars which is considered to be the Company's principal trading currency.
 (c) **Foreign currency translation**
 Transactions in foreign currencies are translated into United States Dollars at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into United States Dollars at the rate of exchange ruling at balance sheet date. Exchange differences are recorded in the income statement.
 (d) **Revenue recognition**
 Revenue consists mainly of income of dividend income which is accounted for when the shareholders' right to receive payment is established.
- INVESTMENTS IN SUBSIDIARY COMPANY**

	2000 USD	1999 USD
UNQUOTED		
Additions during the year	5,88,697	—
Directors valuation	5,88,697	—

The directors have valued the unquoted investments on the basis of the net worth of the company.
 Details of the subsidiary company is as follows :

Country of Incorporation	Class of shares held	Nominal value of investment	% holding	2000	1999
TC (Mauritius) Operations Co Ltd	Mauritius Ordinary	Rs.100/-	100%	—	—

The company does not prepare group accounts as it is a wholly owned subsidiary of Thomas Cook (India) Limited.
- ACCOUNTS RECEIVABLE**

	2000 USD	1999 USD
Other receivables	—	2
- SHARE CAPITAL**
 Authorised:
 Ordinary shares of USD 1/- each 10,00,000 1,00,000
 Issued and fully paid:
 Ordinary shares of USD 1/- each 5,90,000 1,000
 5,89,000 ordinary shares of USD1/- each were issued on 19th January, 2000.
- SHAREHOLDERS' LOAN**
 Interest free loan with no fixed terms of repayments — 21,160
- OPERATING PROFIT/(LOSS) FOR THE YEAR**
 Operating profit/(loss) for the year is arrived at after charging:
 Directors' emoluments — 1,000
 Auditors' remuneration 2,000 400
- (a) The number of employees at the end of the year was: — —
- OTHER INCOME**
 Shareholders' loan foregone 22,156 —
- DIVIDENDS PAID**
 Ordinary dividend of 6.2% paid 37,000 —
- EARNINGS/(LOSS) PER SHARE**
 Earnings/(loss) per share (cents) 0.10 (4.55)
 Based on:
 (a) Profit/(loss) before dividends 56,098 (4,554)
 (b) Weighted average number of ordinary shares in issue 5,59,340 1,000
- TAXATION**
 The company has been established as an "Offshore Company" for the purpose of the Mauritius Offshore Business Activities Act, 1992. The profit of the Company is subject to income tax at 0% unless it elects to pay tax at specified rates not exceeding 35%.
- CASH AND CASH EQUIVALENTS**
 Cash at bank 7,107 —
- CHANGE IN SHAREHOLDING**
 Thomas Cook (India) Limited acquired a 100% holding in 'Maestro Investments Limited' on 19th January, 2000, and changed its name to 'TC (Mauritius) Holding Co Ltd'.
- ULTIMATE HOLDING COMPANY**
 The Company regards Thomas Cook (India) Limited incorporated in India as its ultimate holding company.
 LOUIS EMMANEUL NG CHEONG TIN — DIRECTOR
 A. M. KAKKAR — DIRECTOR
 Port Louis
 Mauritius
 Dated : 23rd January, 2001

DIRECTORS' REPORT

TO THE MEMBERS:

- The Directors submit herewith their first Annual Report to the Members together with the accounts for the period ended 31st December, 2000.
- State of affairs and review of activities**
 The Profit and Loss Account for the period is set out here below.
 The main activity of the company is to deal in foreign exchange.
- Incorporation**
 The company was incorporated on 14th January, 2000 as a Private Company Limited by shares.
 The accounts present herewith represents the first set of accounts for the period from incorporation to 31st December, 2000.
- Dividends**
 The Directors have declared and paid a dividend of MRU12,00,000/- for the period ended 31st December, 2000.
- Auditors**
 A resolution will be passed at the Annual General Meeting for the re-appointment of Mr J. Raymond Lamusse F.C.A., F.C.C.A as auditor of the Company.

BY ORDER OF THE BOARD
 EXECUTIVE SERVICES LTD.
 Secretary

Port Louis
 Mauritius
 Dated : 23rd January, 2001

AUDITORS' REPORT

We have audited the accounts of TC (Mauritius) Operations Co. Ltd which have been prepared on the basis of the accounting policies described in the notes to the accounts.

Respective responsibilities of Directors and Auditors

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act, 1984. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Mauritius Guidelines and International Standards on Auditing. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the accounts give a true and fair view of the state of affairs of the Company as at 31st December, 2000 and of its profit and cash flows for the period then ended and have been properly prepared in accordance with the appropriate Accounting Standards and comply with the Companies Act, 1984.

J. RAYMOND LAMUSSE
 F.C.A., F.C.C.A.

Port Louis
 Mauritius
 Dated : 23rd January, 2001

BALANCE SHEET AS AT 31ST DECEMBER, 2000

	Notes	2000 MRU
ASSETS EMPLOYED		
NON-CURRENT ASSET		
Plant and equipment	2	14,72,081
CURRENT ASSETS		
Trade and other receivables	3	11,40,564
Bank and cash balances — foreign currency		57,57,480
— local currency		79,43,668
		1,48,41,712
CURRENT LIABILITIES		
Trade and other payables	4	3,30,000
Income tax	9	4,64,442
		7,94,442
NET CURRENT ASSETS		1,40,47,270
TOTAL :		1,55,19,351
FINANCED BY		
CAPITAL AND RESERVES		
Share capital	5	1,50,00,000
Retained profits		4,70,900
		1,54,70,900
NON-CURRENT LIABILITY		
Deferred tax liabilities	6	48,451
TOTAL :		1,55,19,351

The notes from 1 to 14 form an integral part of these accounts

The accounts were approved by the Board of Directors

J. RAYMOND LAMUSSE F.C.A., F.C.C.A. LOUIS EMMANEUL NG CHEONG TIN — DIRECTOR
 A. M. KAKKAR — DIRECTOR

Port Louis
 Mauritius
 Dated : 23rd January, 2001

Port Louis
 Mauritius
 Dated : 23rd January, 2001

PROFIT AND LOSS ACCOUNT PERIOD FROM 14th JANUARY, 2000 TO 31st DECEMBER, 2000

	Notes	2000 MRU
Profit on sale of currencies		63,62,613
Other income		4,58,275
		68,20,888
Administrative and other expenses		
Staff costs	7(a)	15,01,491
Depreciation		1,70,208
Other expenses		29,68,529
		46,40,228
Operating profit	7	21,80,660
Finance revenue	8	3,133
Profit before taxation		21,83,793
Taxation	9	5,12,893
Profit after taxation		16,70,900
Dividends paid	10	12,00,000
Profit retained for the period		4,70,900
Earnings per share	11	11.58

The notes from 1 to 14 form an integral part of these accounts.

The accounts were approved by the Board of Directors

J. RAYMOND LAMUSSE F.C.A., F.C.C.A. LOUIS EMMANEUL NG CHEONG TIN — DIRECTOR
 A. M. KAKKAR — DIRECTOR

Port Louis
 Mauritius
 Dated : 23rd January, 2001

Port Louis
 Mauritius
 Dated : 23rd January, 2001

**STATEMENT OF CHANGES IN EQUITY - PERIOD
FROM 14th JANUARY, 2000 TO 31st DECEMBER, 2000**

	Share Capital MRU	Retained Profits MRU	Total MRU
Issue of shares	1,50,00,000	—	1,50,00,000
Profit after taxation	—	16,70,900	16,70,900
Dividends paid	—	(12,00,000)	(12,00,000)
Balance as at 31st December, 2000	1,50,00,000	4,70,900	1,54,70,900

The notes from 1 to 14 form an integral part of these accounts.

**CASH FLOW STATEMENT - PERIOD FROM
14th JANUARY, 2000 TO 31st DECEMBER, 2000**

	Note	2000 MRU
Cash generated from operations		
Reconciliation of profit before tax to cash generated from operations:		
Profit before taxation		21,83,793
Adjustments for:		
— Depreciation		1,70,208
— Interest receivable		(3,133)
Changes in working capital (excluding the effects of acquisition and disposal):		
— trade and other receivables		(11,40,564)
— trade and other payables		3,30,000
Cash generated from operations		15,40,304
Interest received		3,133
Net cash from operating activities		15,43,437
Investing activity		
Purchase of plant and equipment		(16,42,289)
Net cash used in investing activity		(16,42,289)
Financing activities		
Issue of ordinary shares		1,50,00,000
Dividends paid		(12,00,000)
Net cash from financing activities		1,38,00,000
Increase in cash and cash equivalents		1,37,01,148
Movement in cash and cash equivalents		
At 14th January, 2000		—
Increase		1,37,01,148
At 31st December, 2000	12	1,37,01,148

The notes from 1 to 14 form an integral part of these accounts.

NOTES TO THE ACCOUNTS — YEAR ENDED 31st DECEMBER, 2000

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these accounts are set out below:

- Basis of preparation**
The accounts are prepared under the historical cost convention and in accordance with and comply with Mauritius Accounting Standards.
- Plant and equipment**
Plant and equipment is stated at historical cost less depreciation.
Depreciation is calculated on the straight line method to write off the cost of each asset to their residual values over their estimated useful life. The principal annual rates used are as follows:
Office equipment 33%
Furniture & Fittings 18%
Motor Vehicles 20%
Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.
- Revenue recognition**
Revenue from services are recognised when the services had been performed and are billable. Profit on operations represents the margin charged on foreign exchange deals.
- Foreign currency translation**
Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date and any exchange differences arising are taken to the profit and loss account.
- Deferred taxation**
Deferred taxation liabilities are provided in respect of taxable temporary differences, calculated at current statutory income tax rate.

**NOTES TO THE ACCOUNTS — YEAR ENDED
31st DECEMBER, 2000**

2. PLANT AND EQUIPMENT	Office Equipment MRU	Furniture & Fittings MRU	Motor Vehicles MRU	Total MRU
COST				
Additions during the period	5,75,319	2,60,540	8,06,430	16,42,289
DEPRECIATION				
Charge for the period	62,374	25,997	81,837	1,70,208
NET BOOK VALUES				
At 31st December, 2000	5,12,945	2,34,543	7,24,593	14,72,081

3. TRADE AND OTHER RECEIVABLES	2000 MRU
Prepayments	9,53,870
Receivable from holding company	1,86,694
	11,40,564
4. TRADE AND OTHER PAYABLES	
Accrued expenses	3,30,000
5. SHARE CAPITAL	
Authorised, Issued and fully paid	
Ordinary shares of MRU 100/- each	1,50,00,000
6. DEFERRED TAX LIABILITIES	
Charged for the period (note 9)	48,451
7. OPERATING PROFIT	
Operating profit is arrived after charging:	
Auditors' remuneration	1,40,000
Directors' emoluments	—
(a) The numbers of employees at the end of the year was:	
Operations	17
8. FINANCE REVENUE	
Interest income	3,133
9. INCOME TAX	
Current tax on the adjusted profit for the period at 25%	4,64,442
Deferred tax movement (note 6)	48,451
	5,12,893

The tax on the company's profit before tax differs from theoretical amount that would arise using the basic tax rate of the company as follows:

Profit before taxation	21,83,793
Tax calculated at a rate of 25%	5,45,948
Expenses not deductible for tax purposes	19,186
Investment relief	(52,241)
	5,12,893
10. DIVIDENDS PAID	
Ordinary dividend of 8% paid	12,00,000
11. EARNINGS PER SHARE	
Earnings per share	11.58
Profit after taxation	16,70,900
Weighted average number of ordinary shares in issue	1,44,247
12. CASH AND CASH EQUIVALENTS	
Bank and cash balances - local currency	79,43,668
- foreign currency	57,57,480
	1,37,01,148
13. INCORPORATION	
The Company was incorporated on 14th January, 2000 as a Private Company Limited by shares, and this first set of accounts covers the period from 14th January, 2000 to 31st December, 2000.	
14. ULTIMATE HOLDING COMPANY	
The ultimate holding company of TC (Mauritius) Operations Co Ltd is Thomas Cook (India) Limited incorporated in India.	

LOUIS EMMANEUL NG CHEONG TIN — DIRECTOR
A. M. KAKKAR — DIRECTOR

Port Louis
Mauritius
Dated : 23rd January, 2001



TEN FINANCIAL YEARS' PERFORMANCE

	(Rs. in Thousands)									
	1991/92	1992/93	1993	1994	1995	1996	1997	1998	1999	2000
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Fixed Assets	58672	67569	86403	117354	124866	267181	352698	429931	447509	450068
Investments	—	—	—	2500	2500	2500	2500	2500	2500	74373
Net Current Assets	136944	291838	300158	295043	467014	444299	577242	844044	1018406	925157
Misc. Expenditure	—	—	—	—	—	—	—	—	25023	12181
Total Application of Funds	195616	359407	386561	414897	594380	713980	932440	1276475	1493438	1461779
Share Capital	15750	15750	31500	31500	52500	52500	87500	87500	87500	145833
Reserves	83784	145635	173175	261944	323298	430883	497416	621744	753092	772263
Shareholders' Funds	99534	161385	204675	293444	375798	483383	584916	709244	840592	918096
Loan Funds	96082	198022	181886	121453	218582	230597	347524	567231	652846	543683
Total Source of Funds	195616	359407	386561	414897	594380	713980	932440	1276475	1493438	1461779
	(9 mths.)									
Total Income	166653	272420	231566	346389	445721	541850	566906	752372	745575	856612
Total Expenditure	87321	125982	110251	176884	241415	291928	351060	509918	499361	653685
Profit Before Taxation	79332	146438	121315	169505	204306	249922	215846	242454	246214	202927
Profit available for appropriation (After Tax & Adjustments for prior years, if any)	30202	68938	54315	102944	108604	136460	144846	172454	180348	136505
Retained Earnings for the year	24689	61850	43290	88769	82354	107585	105471	128704	136598	88380
Dividend Paid/Payable	5513	7088	11025	14175	26250	28875	39375	43750	43750	48125
Dividend Percentage	35	45	*35	45	*50	55	*45	50	50	*33

* 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.